

VEGOIL DAILY

September 1, 2006

REFINE SOY OIL

SPOT MARKETS

Soy oil refine improved in most of the spot markets on increasing high demand on approaching festivals. The markets remain firm as usual on high demand of the first week of the month. Crop delays due to high and erratic rainfall remain the main concern among the traders and they are in buying in anticipation of unavailability and shortage during the festival season. Crop damage in few locations is also expected to keep the market firm. CIF soy oil prices (September shipments) improved at \$570/ton on Thursday. The price in the spot market is expected to trade range bound.

FUTURES MARKETS:

NCDEX refined soyoil September contract opened firm on Thursday and decline afterwards on short covering. Speculative selling pressurized the market down. The contract traded between 435.0-439.5 and the prices finally closed at 436.55.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Low import compared to last month.
3. Expected delay in crop arrivals
4. Pest infestation in few regions

Bearish:

1. Roll back of hike in tariff value.
2. Low consumer demands

Weather

Heavy rainfall expected to delay crop harvest, which in turn delay crushing. Heavy rainfalls in few locations with cloudy weather encourage pest attack which will further lowers its yield.

TECHNICALS

Bearish opening bozu candlesticks indicating bearish market sentiments. Stochastic indicating bullish sentiments. The price line is closed below 9 and 18 days EMA. MACD is improving indicating bullish market sentiments. Volumes remain almost steady and OI decline marginally. Trade with caution.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Sep	433.0	435.0	436.55	441.9	443.9

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:
 Buy above 437.6; T1 near 439.9; and put stop loss at 436.00.

Soybean Oil: Spot Market Prices (Rs/10Kg excluding VAT)

Centres	31.08.06	30.08.06	Change
Mumbai (Soy Ref oil)+VAT	427	425	+2
Indore (Soy Ref oil)+VAT	418	412	+6
Kota (Soy Ref. Oil)+VAT	416	414	+2
Hyderabad (Soy Ref)+VAT	441	440	+1
Rajkot (Soy Ref)+Tax	413	412	+1

PALM OIL

International Market Highlights

BMD Remain Closed on Independence Day in Malaysia

Domestic Spot Market Highlights

Palm oil prices at spot market remain almost steady with slight improvements in few locations. The prices will improve on approaching festivals. The price at the spot is expected to follow the international developments and crude oil.

BMD: CPO Futures (30.8.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 06	1541	1540	1557	1536	1557	+16	661
Oct 06	1549	1546	1567	1545	1567	+18	1208
Nov 06	1557	1557	1578	1556	1578	+21	5224
Dec 06	1569	1571	1589	1568	1588	+19	1468
Jan 06	1584	1633	1634	1576	1595	+11	236

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	31.09.06	30.08.06	Change
Kandla CPO (5 % FFA)	398	397	+1
Kandla RBD Palmolein +VAT	422	422	0
Mumbai RBD Palmolein +VAT	435	435	0
Chennai RBD Palmolein +VAT	442	443	-1
Kakinada RBD Palmolein +VAT	428	428	0
Hyderabad RBD Palmolein +VAT	455	450	+5
Delhi RDB Palmolein	465	465	0

Rape/Mustard oil

The spot market prices improved in most locations as NAFED further hiked its selling prices by Rs 10. NAFED continue to sell its new stock at Rs 1625 and improved slightly for its old stock at Rs 1540 in different centers of Rajasthan. The mustard seed prices at Jaipur and Kota remain at Rs. 1740 and 1560-1580 respectively. The price will depend on the NAFEDs action for any further price cut.

Rape Oil: Spot Market Price (Rs/10 kg)

Centres	31.08.06	30.08.06	Change
Mumbai (Exp. Oil) +VAT	424	424	0
Kota (Expeller Oil)+VAT	393	393	0
Jaipur (Expeller Oil)+VAT	396	395	+1
Delhi (Expeller Oil)	412	410	+2
Neewai (Expeller Oil) +VAT	392	389	+3

Groundnut Refine Oil

Groundnut oil prices on major domestic spot market witnessed steady to bullish sentiments on most of the centers. Low availability of seeds for crushing and low stock position of oil keeps the market tight. The price is expected to improve in coming days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	31.08.06	30.08.06	Change
Mumbai +VAT	530	530	0
Rajkot +VAT	542	540	+2
Andhra Region +VAT	550	550	0
Chennai +VAT	545	540	+5
Delhi	565	565	0

Sunflower Refine Oil

Sunflower oil prices improved in most of the market on improvement in its competitive oils. Low stock position results holding its prices at its current level. CIF sunflower oil prices (September shipments) improved at \$643/ton compared to Wednesday level. Sunflower is expected to follow other oils in near terms.

Sunflower Refine Oil: Spot Market prices (Rs/10 Kg)

Markets	31.08.06	30.08.06	Change
Mumbai +VAT	500	500	0
Chennai +VAT	507	502	+5
Hyderabad VAT	510	505	+5

Cotton Refine Oil

The spot market prices decline in the major centers on expected early arrivals on the cotton oil into the market. Low demand of cotton oil compared to others results into slight decline in its prices. Prices are expected to move range bound following other oils in near term.

Cotton Refine Oil: Spot Market prices (Rs/10 Kg)

Markets	31.08.06	30.08.06	Change
Mumbai +VAT	460	460	0
Hyderabad +VAT	440	445	-5
Rajkot + VAT	460	462	-2
Delhi	440	445	-5

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Chem Cosmos	24500	Palm oil	Expected
	Prita Dewi	8000	Palm oil	Expected
	Chenroad Echo	6000	Palm oil	Expected
Kolkata	Khadijah	6300	CPO	Arrived
	Bao De Jin	9498	CPO	Arrived
	Zhong Hua 7	8000	CPO	Expected
Kakinada	Istana VI	5000	CPO	Arrived
	Sun Pine	5000	CPO	Expected
	Shimakaze	11000	CPO	Expected
	Madura	14000	CPO	Expected
Mumbai	Royal Emerald	4000	Palm oil	Expected
	Olympic	12290	CPO	Expected
JN Port	Produce	13000	SBO	Expected
Tuticorin	Spring Wind	7000	Palm Oil	Arrived
	Filma Satu	620	Palm Oil	Expected

Forex Rates

(As on 31.08.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.55
European Union	Euro	59.71
Japan	100 Yen	39.66
United Kingdom	Pound Sterling	88.72