

## VEGOIL DAILY

August 14, 2006

### REFINE SOY OIL

#### SPOT MARKETS

The spot market prices of the soy refine oil in most of the market decline closely following the palm oil as it decline on the reduction in the import duty on palm oil. Government trying to curb the continuous rise of soy and other oils as this will results into inflation. This will results into the decline of imported oils by Rs 2-3. Expected bearish sentiments in overseas market further expected to have some decline in the prices in near term. The crop damage assessment data reveal the extent of the damage and traders are waiting for the same. CIF soy oil on Saturday decline to at \$577/ton. The price in the spot market is expected to decline marginally in near terms.

#### FUTURES MARKETS:

NCDEX refined soyoil September contract opened weak on Saturday and witnessed lack lustre trade with weak sentiments with intermittent profit booking from time to time. The later parts of the trading session remain indecisive on short covering. The contract traded between 449.80-453.05 and the prices finally closed at 451.20.

#### PRICE DRIVERS:

##### Bullish:

1. Lower stock of soybean
2. Stock piling by stockists.

##### Bearish:

1. Import duty cut on palm oil
2. Huge production estimates.
3. Low consumer demands

#### Weather

Heavy rainfall in the Maharashtra and MP during the active growth stage results into water logging which is injurious to the crop growth. Soybean cannot tolerate water logging at any growth stage.

#### TECHNICALS

Bearish opening filled bozu candlestick indicate weak sentiment in the market. Stochastic remain in overbought region and moving down indicating bearish sentiments likely to continue. MACD indicate bearish sentiments. Volume and OI both decreased indicating weak market sentiments. Trade with caution.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX September	445.85	447.7	451.2	454.95	456.4

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:  
Sell below 452.4; T1 near 450.90; T2-449.40 and put stop loss at 453.50.

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

Centres	12.08.06	11.08.06	Change
Mumbai (Soy Ref oil)+VAT	434	434	0
Indore (Soy Ref oil)+VAT	419	424	-5
Kota (Soy Ref. Oil)+VAT	418	420	-2
Hyderabad (Soy Ref)+VAT	480	482	-2
Rajkot (Soy Ref)+Tax	419	420	-1

## PALM OIL

### International Market Highlights

BMD Remain Closed on Saturday and Sunday

### Domestic Spot Market Highlights

Palm oil prices at spot market decline significantly in almost all the centers on reduction of the import duty on palm oil. The market further loses its lustre on the news about reduction of import duty on the crude palm oil and RBD Palmolein. The market is expected to follow the BMD futures.

#### BMD: CPO Futures (11.8.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1624	1635	1639	1627	1627	+3	130
July 06	1634	1633	1654	1625	1639	+5	637
Aug 06	1655	1653	1674	1644	1659	+4	7219
Sep 06	1671	1667	1687	1660	1672	+1	3637
Oct 06	1685	1685	1697	1675	1688	+3	443

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.08.06	11.08.06	Change
Kandla CPO (5 % FFA)	419	433	-14
Kandla RBD Palmolein +VAT	440	446	-6
Mumbai RBD Palmolein +VAT	440	452	-12
Chennai RBD Palmolein +VAT	470	479	-9
Kakinada RBD Palmolein +VAT	443	455	-12
Hyderabad RBD Palmolein +VAT	472	475	-3
Delhi RDB Palmolein	450	470	-20

#### Rape/Mustard oil

The spot market prices of the mustard seeds decline sharply on almost all the regions on weak demand and weakness in other oils. The mustard seed prices at Jaipur and Kota remain at Rs. 1755 and 1575 respectively. NAFED is selling the mustard seeds at Rs. 1570 in different centers of Rajasthan, which had a bearish impact on the market. The price is expected to follow other oils closely.

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

Centres	12.08.06	11.08.06	Change
Mumbai (Exp. Oil) +VAT	430	430	0
Kota (Expeller Oil)+VAT	402	405	-3
Jaipur (Expeller Oil)+VAT	405	408	-3
Delhi (Expeller Oil)	420	430	-10
Neewai (Expeller Oil) +VAT	401	410	-9

#### Groundnut Refine Oil

Groundnut oil prices on domestic spot markets decline in few region while in other market the prices remain steady. This is a jerk in the bullish sentiments on reduction of import duty on palm oil. Gujarat's arrivals of groundnut seeds were around 10000-12000 bags (bag=35 kg). GN oil prices expected to follow other oils.

#### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.08.06	11.08.06	Change
Mumbai +VAT	535	540	-3
Rajkot +VAT	525	525	0
Andhra Region +VAT	567	580	-13
Chennai +VAT	520	520	0
Delhi	570	NA	-

#### Sunflower Refine Oil

Sunflower oil prices at Mumbai remain firm on high demand. Demand from the Southern states keeps the prices on the higher level. The prices closely follow the palm oil prices. CIF sunflower oil prices (Aug/Sep shipments) increased on Saturday at \$650/ton.

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

Markets	12.08.06	11.08.06	Change
Mumbai +VAT	510	509	+1
Chennai +VAT	525	525	0
Hyderabad VAT	525	525	0

#### Cotton Refine Oil

The spot market prices decline in the major markets, closely following other oils. Prices are expected to move range bound with slight bearish sentiments in near term.

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

Markets	12.08.06	11.08.06	Change
Mumbai +VAT	463	464	-1
Hyderabad +VAT	460	470	-10
Rajkot + VAT	448	450	-2
Delhi	445	445	0

**PORT-WATCH (Latest):**  
**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hartati	5000	CPO	Expected
	Destiny	5000	CPO	Arrived
	Ace 7	11760	Palm Oil	Expected
	Pacific Ace	7500	CPO	Expected
	Acushnet	30500	SBO	Expected
Kolkata	Padang Halaban	6000	CPO	Arrived
Cochin	Havi Ocean	7000	Palm Oil	Arrived
New Mangalore	L Star	6000	CPO	Expected
Mumbai	Shimakaze	8300	Palm Oil	Expected
Chennai	Spring Wind	2000	Palm Oil	Arrived
JN Port	Produce	13000	SBO	Expected
	Global Venus	9000	CPO	Arrived
Mundra	Vernal Grace	6000	CPO	Arrived
	Acushnet	7700	SBO	Arrived
Kakinada	Ace I	5000	CPO	Arrived
Tuticorin	Chem Baltic	6000	Palm Oil	Expected

**Forex Rates**

(As on 12.08.2006)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	46.50
European Union	Euro	59.32
Japan	100 Yen	39.97
United Kingdom	Pound Sterling	88.13