

## VEGOIL DAILY

August 28, 2006

### REFINE SOY OIL

#### SPOT MARKETS

The spot market prices of the soy refine oil remain mixed in most of the spot market with slight bearish sentiments. The low quotes at high seas combined with strong bearish sentiments for soy oil in the CBOT further had a bearish impact on the domestic market. The government is trying to put a cap on the rising oil prices of edible oil and due to this there is nervousness into the market about possible implementation of ESMA. Weak demand further aggravated the situation resulting bearish psychology of the traders preventing them for stockpiling of the produce. CIF soy oil prices (September shipments) remain steady at \$564/ton on Saturday. The price in the spot market is expected to remain range bound.

#### FUTURES MARKETS:

NCDEX refined soyoil September contract opened weak on Saturday and with slight improvement initially, sharp decline was noticed following sharp decline in the CBOT. The contract traded between 430.25-434.80 and the prices finally closed at 430.25.

#### PRICE DRIVERS:

##### **Bullish:**

1. Lower stock of soybean
2. Low import compared to last month.
3. Expected lower import in this oil year
4. Pest infestation to few regions

##### **Bearish:**

1. Import duty cut on palm oil
2. Roll back of hike in tariff value.
3. Low consumer demands

#### Weather

Heavy rainfall followed by water stagnation results into crop stress and expected to increase diseases and pest attack on the crop.

#### TECHNICALS

Filled closing bozu candlesticks indicate bearish sentiment into the market. Stochastic remain flat as show indecisive sentiments. The price line is closed below 9 and 18 days EMA. MACD remain in negative region with bearish sentiment indicating downtrend likely to continues. Volume and OI decline marginally. Trade with caution till clear indication.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Sep	423.5	426.3	430.25	431.6	433.2

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:  
Sell below 430.0; T1 near 428.15, and put stop loss at 431.00.

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

Centres	26.08.06	25.08.06	Change
Mumbai (Soy Ref oil)+VAT	424	422	+2
Indore (Soy Ref oil)+VAT	415	415	0
Kota (Soy Ref. Oil)+VAT	408	410	-2
Hyderabad (Soy Ref)+VAT	440	448	-8
Rajkot (Soy Ref)+Tax	417	417	0

## PALM OIL

### International Market Highlights

BMD Futures Remain Closed on Saturday and Sunday

### Domestic Spot Market Highlights

Palm oil prices at spot market decline in most of the spot markets closely following sharp decline in the BMD futures and low demand. The price at the spot is expected to follow the international developments and crude oil.

#### BMD: CPO Futures (25.8.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 06	1596	1591	1594	1575	1578	-18	496
Oct 06	1603	1600	1604	1582	1588	-15	1830
Nov 06	1611	1608	1615	1591	1599	-12	4933
Dec 06	1626	1617	1625	1603	1612	-14	1729
Jan 06	1638	1630	1635	1625	1625	-13	43

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.08.06	25.08.06	Change
Kandla CPO (5 % FFA)	403	405	-2
Kandla RBD Palmolein +VAT	424	426	-2
Mumbai RBD Palmolein +VAT	431	431	0
Chennai RBD Palmolein +VAT	445	450	-5
Kakinada RBD Palmolein +VAT	428	432	-4
Hyderabad RBD Palmolein +VAT	455	458	-3
Delhi RDB Palmolein	470	470	0

### Rape/Mustard oil

The spot market prices decline in most of the centers as NAFED further lowers its prices of mustard seed. In a latest move Consumer Affairs Ministry has reduced the limit of blending indigenous edible oil with Vanaspati and curtail the limit to 12% from 25% earlier in order to check its soaring prices of Vanaspati. This will result into smoothing the price rise in Vanaspati. NAFED reduces selling its new stock at Rs 1615, while selling its old stock at Rs 1535 in different centers of Rajasthan. The mustard seed prices at Jaipur and Kota remain at Rs. 1735 and 1540-1560 respectively. The price is expected to follow other oils and improve in near term.

### Groundnut Refine Oil

Groundnut oil prices on domestic spot market remain mixed and closely watching the developments on other oils. The production of groundnut this year is expected to decline and therefore the oil still hold its firm position. 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.

### Sunflower Refine Oil

Sunflower oil prices remain stable on equality of demand and supply with low stock position with some decline in the Hyderabad. Sunflower is expected to follow other oils in near terms.

### Cotton Refine Oil

The spot market prices decline in few locations while it remains steady in other locations. The demand is expected to increase in near terms on coming festivals in the next month. Prices are expected to move range bound following other oils in near term.

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

Centres	26.08.06	24.08.06	Change
Mumbai (Exp. Oil) +VAT	426	430	-4
Kota (Expeller Oil)+VAT	388	390	-2
Jaipur (Expeller Oil)+VAT	391	393	-2
Delhi (Expeller Oil)	415	417	-2
Neewai (Expeller Oil) +VAT	388	389	-1

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

Centres	26.08.06	25.08.06	Change
Mumbai +VAT	530	530	0
Rajkot +VAT	545	545	0
Andhra Region +VAT	550	560	-10
Chennai +VAT	545	540	+5
Delhi	570	570	0

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

Markets	26.08.06	25.08.06	Change
Mumbai +VAT	500	500	0
Chennai +VAT	510	510	0
Hyderabad VAT	505	510	-5

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

Markets	26.08.06	25.08.06	Change
Mumbai +VAT	460	460	0
Hyderabad +VAT	445	455	-10
Rajkot + VAT	465	465	0
Delhi	445	448	-3

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Chem Cosmos	24500	Palm oil	Expected
	Central Park	6200	SBO	Arrived
	Produce	13000	SBO	Arrived
	Pacific Sound	6800	Palm oil	Arrived
	Prita Dewi	8000	Palm oil	Expected
	Olympic	4000	CPO	Expected
Kolkata	Padang Halaban	2000	CPO	Arrived
Kakinada	Ace I	6000	CPO	Expected
	Istana VI	5000	CPO	Expected
Mumbai	Royal Emerald	4000	Palm oil	Expected
Chennai	MMM Jackson	6000	CPO	Expected
JN Port	Produce	13000	SBO	Expected
Tuticorin	Spring Wind	7000	Palm Oil	Expected

**Forex Rates**

(As on 26.08.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.42
European Union	Euro	59.20
Japan	100 Yen	39.57
United Kingdom	Pound Sterling	87.59