

## VEGOIL DAILY

October 3, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy prices remain steady in most of the centers with slight decline in the Indore spot market. The market is in wait and watch condition and closely following the developments in international market. This week witnessed low volume of arrivals of imported SBO at 14000 MT that is not expected to pressurize the market as per traders. However the total arrivals of imported oil including palm oil group remain at 134933 MT that still remain a meagre quantity. The rise in crude oil prices has significantly had a bullish impact over the market and traders are watching closely any further developments. Lack lustre trade could be seen in most of the centers. The CIF rate for refined soy oil for September shipment remain at \$580 on Saturday. The prices are expected to follow the developments in overseas market and movement in the crude oil prices.

#### FUTURES MARKETS:

Soy oil futures opened weak and decline sharply on speculative selling. Some improvement could be seen on the later trading session on short covering and idea about expected festival demand. October soy oil futures opened at 422.40 and traded in the range of 422.90 and 426.40 and settled at 420.30.

#### PRICE DRIVERS:

##### **Bullish:**

1. Low crop forecast in advance estimates
2. Improved crude oil prices at NYMEX

##### **Bearish:**

1. Improving weather situation
2. Low consumer demands

#### Weather

Heavy rainfall in Southern and Central region is expected to cause crop damage as the crop is in flowering stage.

#### TECHNICALS

Doji star formation by Candlestick indicating possible improvement into the market. Stochastic remain firm and indicating strength. Prices closed below 9 days and 18 days EMA indicating weak sentiments. MACD remain bullish but remain parallel and flat. Volume decline marginally while OI remain almost steady. Trade with caution as the market lack proper direction and remain volatile at this juncture.



#### SUPPORT / RESISTANCES:

| Contract      | S2    | S1    | PCP   | R1    | R2    |
|---------------|-------|-------|-------|-------|-------|
| NCDEX October | 419.4 | 421.2 | 422.3 | 427.0 | 429.3 |

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:  
Sell below 423.20; T1 425.30, and put stop loss at 421.50.

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

| Centres                  | 30.09.06 | 29.09.06 | Change |
|--------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 414      | 414      | 0      |
| Indore (Soy Ref oil)+VAT | 407      | 409      | -2     |
| Kota (Soy Ref. Oil)+VAT  | 410      | 410      | 0      |
| Hyderabad (Soy Ref)+VAT  | 440      | 440      | 0      |
| Rajkot (Soy Ref)+Tax     | 406      | 406      | 0      |

## PALM OIL

### International Highlights

BMD Remain Closed on Saturday and Sunday

### Domestic Spot Market Highlights

Palm oil prices at spot market remain steady to weak in almost all the centers with slight improvement in Mumbai as the demand remain weak in almost all the centers compared to Friday. The market will closely follow the international developments in near terms.

#### BMD: CPO Futures (29.9.2006)

(Ringgit/ton)

| Months | Previous | Open | High | Low  | Close | Change | Volume |
|--------|----------|------|------|------|-------|--------|--------|
| Oct 06 | 1530     | 1535 | 1544 | 1535 | 1542  | +12    | 199    |
| Nov 06 | 1543     | 1545 | 1553 | 1542 | 1552  | +9     | 1111   |
| Dec 06 | 1550     | 1555 | 1562 | 1548 | 1560  | +10    | 4960   |
| Jan 07 | 1557     | 1562 | 1572 | 1557 | 1569  | +12    | 1420   |
| Feb 07 | 1565     | 1570 | 1576 | 1569 | 1570  | +5     | 30     |

\*BMD Remains Closed on Saturday and Sunday

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres                      | 30.09.06 | 29.09.06 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA)         | 382      | 382      | 0      |
| Kandla RBD Palmolein +VAT    | 407      | 407      | 0      |
| Mumbai RBD Palmolein +VAT    | 412      | 409      | +3     |
| Chennai RBD Palmolein +VAT   | 423      | 424      | -1     |
| Kakinada RBD Palmolein +VAT  | 407      | 409      | -2     |
| Hyderabad RBD Palmolein +VAT | 421      | 423      | -2     |
| Delhi RDB Palmolein          | 450      | 450      | 0      |

#### Rape/Mustard oil

Spot market prices of mustard oil remain steady in most of the centers while slight improvement could be seen in Mumbai and Delhi on improved demand compared to Friday. The selling prices of old stock of mustard seed remain steady at Rs. 1510 while new seeds being sold at Rs 1600 per quintal. The prices of mustard oil will much depend on the selling price of mustard seed by NAFED.

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

| Centres                    | 30.09.06 | 29.09.06 | Change |
|----------------------------|----------|----------|--------|
| Mumbai (Exp. Oil) +VAT     | 422      | 415      | +7     |
| Kota (Expeller Oil)+VAT    | 388      | 388      | 0      |
| Jaipur (Expeller Oil)+VAT  | 391      | 391      | 0      |
| Delhi (Expeller Oil)       | 412      | 410      | +2     |
| Neewai (Expeller Oil) +VAT | 387      | 387      | 0      |

#### Groundnut Refine Oil

Groundnut oil prices improved in most of the centers on firmness in demand and low stock position combined with high export demand of the groundnut seed. The groundnut oil prices likely to stay at current levels for some more time as per traders. The prices will much depend on the upcoming festival demand.

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

| Centres            | 30.09.06 | 29.09.06 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT        | 560      | 560      | 0      |
| Rajkot +VAT        | 550      | 550      | 0      |
| Andhra Region +VAT | 600      | 600      | 0      |
| Chennai +VAT       | 575      | 575      | 0      |
| Delhi              | 540      | 540      | 0      |

#### Sunflower Refine Oil

The prices of sunflower oil remain steady on equality in demand and supply position. The demand of sunflower remain stable with improvement in other oils keeps its sentiments firm and prevent it further downfall. The price is expected to follow other oils closely.

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

| Markets       | 30.09.06 | 29.09.06 | Change |
|---------------|----------|----------|--------|
| Mumbai +VAT   | 505      | 505      | 0      |
| Chennai +VAT  | 515      | 515      | 0      |
| Hyderabad VAT | 505      | 505      | 0      |

#### Cotton Refine Oil

Cotton refine prices remain mixed in most of the centers and lack lustre trade could be seen in different Mandi. The prices of cottonseed oil remain compatible with soy refine and therefore the demand shifted towards soy refine, as the consumers mostly desire it. With the arrivals to take pace cotton oil is expected to decline in near terms. The cotton oil started to arrive in few locations that will pressurize the market in near terms. The prices of the cotton oil will much depend on its arrivals and governed by the prices of other oils.

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

| Markets        | 30.09.06 | 29.09.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 445      | 440      | +5     |
| Hyderabad +VAT | 445      | 450      | -5     |
| Rajkot + VAT   | 437      | 437      | 0      |
| Delhi          | 420      | 425      | -5     |

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

| Ports          | Vessels       | Volume (Ton) | Carrying | Status   |
|----------------|---------------|--------------|----------|----------|
| Kandla         | MMM Kingston  | 6000         | CPO      | Expected |
|                | Global Union  | 5300         | Palm Oil | Expected |
|                | Al Rafel      | 4000         | SBO      | Expected |
|                | Pacific Sound | 8808         | Palm Oil | Arrived  |
|                | Pacific Ace   | 13000        | CPO      | Arrived  |
|                | Chemroad Mega | 10000        | CPO      | Arrived  |
| Kolkata        | Bao De Jin    | 5900         | CPO      | Arrived  |
|                | Istana 6      | 4700         | CPO      | Arrived  |
|                | Khadijah      | 6300         | CPO      | Arrived  |
|                | Hua Yun 5     | 6000         | CPO      | Arrived  |
|                | Bum Woo       | 9000         | CPO      | Arrived  |
| Kakinada       | Nikos A       | 7000         | SBO      | Expected |
| Chennai        | Cheras        | 2800         | CPO      | Expected |
|                | Bow Maastard  | 7600         | SBO      | Expected |
| JN Port        | Marion Dream  | 8000         | SBO      | Arrived  |
| Tuticorin Port | Spring Glory  | 7250         | Palm Oil | Expected |
| Mumbai         | Shimakaze     | 4000         | CPO      | Expected |
|                | Madura        | 13775        | CPO      | Arrived  |
| Mundra         | WS Enterprise | -            | SBO      | Expected |

**Forex Rates**

(As on 30.09.2006)

| Country/ Continent | Currency       | Value in Rupees |
|--------------------|----------------|-----------------|
| USA                | Dollar         | 45.96           |
| European Union     | Euro           | 58.25           |
| Japan              | 100 Yen        | 38.89           |
| United Kingdom     | Pound Sterling | 86.01           |