

## VEGOIL DAILY

September 18, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Soy oil prices at most of the centers remain steady on the weekend and traders are closely watching the developments. Though the demand is not in full swing and high stocks position with traders result into lack lustre trade for soy oil. Anticipation of festival season demand however results into some trade as per traders. The market lack direction and waiting for Monday and its prices will be guided by the overseas demand. Export demand of soybean seed keeps the prices steady with slight bullish tinge. Domestic soy oil demand is expected to increase as festival is approaching. The CIF cost of soy oil for September shipment slightly decline at \$587/ton on Saturday. The prices are expected to align with other oils in near term.

#### FUTURES MARKETS:

Soy oil futures opened with firm note but decline shortly for an hour. The market rebounded from the lowest level on strong speculative buying on heavy rains in Indore region. If the rainfall continues for some more time the crop damage is obvious as the crop is in pod bearing stage. October soy oil futures opened at 428.80 and traded in the range of 427.35 and 431.50 and settled at 431.00.

#### PRICE DRIVERS:

##### **Bullish:**

1. Expected increase in festival demand
2. Crop damage concern and low acreage of other oilseeds

##### **Bearish:**

1. Improving weather situation
2. Low consumer demands
3. Weak advises from overseas markets

#### Weather

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

#### TECHNICALS

Long unfilled bullish candlesticks indicate bullish sentiment in the market with long lower shadow indicating certain level of retracement. Stochastic is in neutral region indicating bullish sentiments. Prices closed above 9 days and 18 days EMA. MACD is also improving indicating bullish sentiments into the market. Volume decline significantly while OI remain almost steady.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	427.0	429.9	431.0	436.8	441.0

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:  
Buy above 432.00; T1 434.30, and put stop loss at 430.50.

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

Centres	17.09.06	15.09.06	Change
Mumbai (Soy Ref oil)+VAT	424	424	0
Indore (Soy Ref oil)+VAT	411	410	+1
Kota (Soy Ref. Oil)+VAT	414	414	0
Hyderabad (Soy Ref)+VAT	440	440	0
Rajkot (Soy Ref)+Tax	412	412	0

## PALM OIL

### International Market Highlights

**BMD Remain Closed on Saturday and Sunday**

### Domestic Spot Market Highlights

Spot market prices of palm oil in major market remain in tandem with the previous days prices as the market lack proper direction. Low palm oil prices in overseas market remain lucrative for Indian importers and high import keeps any further rise in prices of palm oil into the market. The market will closely follow the international developments in near terms.

#### BMD: CPO Futures (15.9.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1531	1527	1530	1521	1526	-5	1231
Nov 06	1537	1536	1538	1528	1537	0	1560
Dec 06	1545	1543	1545	1535	1544	-1	2082
Jan 07	1554	1555	1555	1547	1552	-2	527
Feb 07	1560	1557	1558	1557	1558	-2	101

**\*BMD Remains Closed on Saturday and Sunday**

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	16.09.06	15.09.06	Change
Kandla CPO (5 % FFA)	388	388	0
Kandla RBD Palmolein +VAT	410	410	0
Mumbai RBD Palmolein +VAT	425	424	+1
Chennai RBD Palmolein +VAT	428	428	0
Kakinada RBD Palmolein +VAT	414	415	-1
Hyderabad RBD Palmolein +VAT	435	435	0
Delhi RDB Palmolein	455	455	0

#### Rape/Mustard oil

Steady sentiment persists for mustard oil prices in different centers. The market is watching any further development and waiting for any further demand to trickle in. The selling prices of mustard seed remain unchanged keeping the mustard oil prices steady. The mustard oil demand is expected to increase in near terms on coming festivals. Mustard seed prices at Jaipur and Kota remain at Rs 1735 and 1560-1580 respectively. 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	16.09.06	15.09.06	Change
Mumbai (Exp. Oil) +VAT	420	417	+3
Kota (Expeller Oil)+VAT	392	392	0
Jaipur (Expeller Oil)+VAT	394	394	0
Delhi (Expeller Oil)	415	410	+5
Neewai (Expeller Oil) +VAT	390	390	0

#### Groundnut Refine Oil

Groundnut oil prices increased significantly in Hyderabad on high demand and low availability of stock, as the seeds became short for crushing and what so ever is coming into the market is not crushable amid high moisture content. The prices at other centers remain steady. The prices will much depend on the upcoming festival demand.

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

Centres	16.09.06	15.09.06	Change
Mumbai +VAT	525	525	0
Rajkot +VAT	535	535	0
Andhra Region +VAT	575	560	+15
Chennai +VAT	535	435	0
Delhi	560	560	0

#### Sunflower Refine Oil

Sunflower markets prices remain mixed and remain in tight range. The prices of oil remain steady at other locations. Low stock situation kept its prices unchanged in other locations. The price is expected to follow other oils closely.

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

Markets	16.09.06	15.09.06	Change
Mumbai +VAT	497	497	0
Chennai +VAT	507	505	+2
Hyderabad VAT	500	505	-5

#### Cotton Refine Oil

Cotton refine prices decline in Delhi and remain steady at other locations. The cotton oil started to arrive in few locations thereby results into weak sentiments into the market. The prices of the cotton oil will much depends on its arrivals and governed by the prices of other oils.

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

Markets	16.09.06	15.09.06	Change
Mumbai +VAT	440	440	0
Hyderabad +VAT	440	440	0
Rajkot + VAT	435	435	0
Delhi	425	435	-10

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	MMM Kingston	6000	CPO	Expected
	Chemroad Lily	8000	Palm Oil	Expected
	Algonquin	18540	SBO	Expected
Kolkata	Padang Halaban	7500	CPO	Arrived
	Zhong Hua 7	8300	CPO	Arrived
Kakinada	Cheras	6000	SBO	Arrived
	Nikos A	7000	SBO	Expected
Mumbai	Global Eos	7000	CPO	Arrived
Cochin	Vernal Grace	6000	Palm Oil	Expected
Chennai	Spring Glory	7257	Palm Oil	Arrived
	Spring Wind	7250	Palm Oil	Expected
	MMM Jackson	6000	CPO	Expected
New Mangalore Port	Global Venus	8500	CPO	Arrived
JN Port	Algonquin	20000	SBO	Arrived

**Forex Rates****(As on 16.09.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.13
European Union	Euro	58.65
Japan	100 Yen	39.19
United Kingdom	Pound Sterling	86.77