

VEGOIL DAILY

September 18, 2006

REFINE SOY OIL

SPOT MARKETS

Firm sentiments could be noticed in different centers on improving demand and crop loss concern. The demand is increasing day by day on approaching festival season combined with strength in overseas market. Heavy rainfall in central and southern states results into crop damage concern as the crop is in pod filling stage. Low import of soy oil keeps pressurizing the market up. The market is expected to remain tight on improving demand in near terms. The CIF cost of soy oil for September shipment remain steady 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 and with initial decline fetched high on speculative buying. The market continues to maintain its strong trend on crop damage concern and anticipation of high demand on approaching festival season. October soy oil futures opened at 431.50 and traded in the range of 430.05 and 435.30 and settled at 435.00.

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

Bullish candlesticks indicate bullish sentiment into the market. Stochastic is in neutral region indicating strong bullish sentiments and with wide divergence between %K line and %D line. Prices closed above 9 days and 18 days EMA. MACD ruling with firm sentiments position almost cross central line. Volume increased significantly while OI remain almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	432.2	432.2	435.0	440.8	444.4

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:
Buy above 435.80; T1 438.7, and put stop loss at 434.0.

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

Centres	18.09.06	17.09.06	Change
Mumbai (Soy Ref oil)+VAT	423	424	-1
Indore (Soy Ref oil)+VAT	415	411	+4
Kota (Soy Ref. Oil)+VAT	417	414	+3
Hyderabad (Soy Ref)+VAT	445	440	+5
Rajkot (Soy Ref)+Tax	413	412	+1

PALM OIL

Domestic Spot Market Highlights

Spot market prices of palm oil in major market remain steady on stagnancy in the FOB and CPO rates at different ports. The market is in wait and watch condition and much will depend on the demand in near terms. 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	1526	1526	1535	1526	1532	+6	491
Nov 06	1537	1535	1545	1535	1542	+5	990
Dec 06	1544	1543	1554	1543	1550	+6	1748
Jan 07	1552	1557	1563	1556	1560	+8	270
Feb 07	1558	1567	1567	1567	1567	+9	15

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	18.09.06	16.09.06	Change
Kandla CPO (5 % FFA)	388	388	0
Kandla RBD Palmolein +VAT	410	410	0
Mumbai RBD Palmolein +VAT	425	425	0
Chennai RBD Palmolein +VAT	428	428	0
Kakinada RBD Palmolein +VAT	414	414	0
Hyderabad RBD Palmolein +VAT	435	435	0
Delhi RDB Palmolein	455	455	0

Rape/Mustard oil

Spot market prices of mustard oil increased in most of the markets on improving demand.. 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	18.09.06	16.09.06	Change
Mumbai (Exp. Oil) +VAT	420	420	0
Kota (Expeller Oil)+VAT	394	392	+2
Jaipur (Expeller Oil)+VAT	394	394	0
Delhi (Expeller Oil)	416	415	+1
Neewai (Expeller Oil) +VAT	392	390	+2

Groundnut Refine Oil

Groundnut oil prices remain firm with steady sentiments 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. Slight decline could be seen in Delhi market. 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	18.09.06	16.09.06	Change
Mumbai +VAT	525	525	0
Rajkot +VAT	535	535	0
Andhra Region +VAT	575	575	0
Chennai +VAT	535	535	0
Delhi	550	560	-10

Sunflower Refine Oil

Sunflower markets prices increase in different spot closely following other oils. 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	18.09.06	16.09.06	Change
Mumbai +VAT	500	497	+3
Chennai +VAT	507	507	0
Hyderabad VAT	505	500	+5

Cotton Refine Oil

Cotton refine prices improved in some locations and the prices at other locations remain steady. 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	18.09.06	16.09.06	Change
Mumbai +VAT	440	440	0
Hyderabad +VAT	450	440	+10
Rajkot + VAT	437	435	+2
Delhi	425	425	0

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 18.09.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.12
European Union	Euro	58.44
Japan	100 Yen	39.09
United Kingdom	Pound Sterling	87.87