

## VEGOIL DAILY

September 11, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Soy oil refine remain range bound with slight increase in Hyderabad where the stocks are almost consumed and fresh demand started to trickling in. The directions of the market will much depend on the international prices. If the prices will further go down in the major futures market the domestic market will further loose its strength. Though the chances is there for further improvement of the prices on upcoming festival demands. CIF soy oil prices (September shipments) improved slightly at \$578/ton on Friday. The price in the spot market is expected to trade range bound with marginal decline.

#### FUTURES MARKETS:

NCDEX refined soyoil October contract opened firm and decline initially and choppy trade was witnessed on restricted trade. The market retrieve at later part on some fresh buying support. The contract traded between 429.50-431.30 and the prices finally closed at 430.00.

#### PRICE DRIVERS:

##### Bullish:

1. Lower stock of soybean
2. Expected delay in crop arrivals
3. Possible hike on import duty on palm oil

##### Bearish:

1. Roll back of hike in tariff value.
2. Low consumer demands
3. Slackness in BMD futures

#### Weather

Weather looks good for the soybean crop in MP while some crop damage has been reported from Maharashtra.

#### TECHNICALS

Candlestick indicating bearish sentiments into the market. Stochastic is moving up with bullish sentiments. The price line is closed below 9 and 18 days EMA. MACD is curving up showing improvement. The market is highly volatile at this stage. Volumes decline while OI remain steady. Trade with caution.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	426.9	428.1	430.0	433.2	434.9

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:  
Buy above 429.30; T1 431.30, and put stop loss at 427.50.

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

Centres	8.09.06	809.06	Change
Mumbai (Soy Ref oil)+VAT	427	427	0
Indore (Soy Ref oil)+VAT	412	414	-2
Kota (Soy Ref. Oil)+VAT	417	417	0
Hyderabad (Soy Ref)+VAT	440	432	+8
Rajkot (Soy Ref)+Tax	413	413	0

## PALM OIL

### International Market Highlights

BMD Remain Closed on Saturday and Sunday

### Domestic Spot Market Highlights

The domestic market remains almost steady on Saturday on no major fresh demand except in Hyderabad. This would have a bearish impact on the market resulting softening in prices.

#### BMD: CPO Futures (8.9.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 06	1548	1552	1552	1538	1540	-8	154
Oct 06	1561	1565	1568	1543	1545	-16	2354
Nov 06	1570	1573	1579	1550	1553	-17	7731
Dec 06	1577	1580	1587	1560	1563	-14	3467
Jan 06	1590	1596	1596	1575	1578	-12	566

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	9.09.06	8.09.06	Change
Kandla CPO (5 % FFA)	394	394	0
Kandla RBD Palmolein +VAT	416	416	0
Mumbai RBD Palmolein +VAT	429	429	0
Chennai RBD Palmolein +VAT	430	430	0
Kakinada RBD Palmolein +VAT	418	417	+1
Hyderabad RBD Palmolein +VAT	440	440	0
Delhi RDB Palmolein	460	460	0

#### Rape/Mustard oil

The spot market prices of mustard seeds remain steady in all most all of the market. The prices of mustard oil will much depend on the selling prices of mustard seed by NAFED. NAFED is selling its new stock at Rs 1620 while continue to sell its old stocks at 1520. The mustard seed prices at Jaipur and Kota market remain steady at Rs 1735 and 1560-1580 with average arrivals of 4000 and 500 bags respectively.

#### Groundnut Refine Oil

Groundnut oil prices on major domestic spot market decline on low demand. The demand of the GN oil is declining day by day and not getting support from the wholesalers. The prices of groundnut oil tend to follow other oils closely and further decline is expected on lower demand in coming days.

#### Sunflower Refine Oil

Sunflower oil prices decline in Mumbai and Hyderabad on low demand and weakness in other oil prices. Low stock position results holding its prices at its current level. CIF sunflower oil prices (September shipments) remain steady at \$640/ton compared to Wednesday level. Sunflower is expected to follow other oils in near terms.

#### Cotton Refine Oil

The spot markets prices of cotton seed oil remain mixed in most of the centers on lack of demand. Low demand compared to last day restricts the trade in narrow levels. Prices are expected to move range bound following other oils in near term.

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

Centres	9.09.06	8.09.06	Change
Mumbai (Exp. Oil) +VAT	423	423	0
Kota (Expeller Oil)+VAT	392	392	0
Jaipur (Expeller Oil)+VAT	394	394	0
Delhi (Expeller Oil)	410	410	0
Neewai (Expeller Oil) +VAT	389	389	0

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

Centres	9.09.06	8.09.06	Change
Mumbai +VAT	527	530	-3
Rajkot +VAT	525	530	-5
Andhra Region +VAT	550	550	0
Chennai +VAT	535	535	0
Delhi	460	460	0

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

Markets	9.09.06	8.09.06	Change
Mumbai +VAT	508	510	-2
Chennai +VAT	505	505	0
Hyderabad VAT	495	500	-5

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

Markets	9.09.06	8.09.06	Change
Mumbai +VAT	450	456	-6
Hyderabad +VAT	440	435	+5
Rajkot + VAT	445	446	-1
Delhi	435	435	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Chenroad Echo	6000	Palm oil	Expected
	MMM Kingston	6000	CPO	Expected
	Global Eos	4000	CPO	Arrived
Kolkata	Global Pallas	8300	CPO	Arrived
	Zhong Hua 7	8000	CPO	Expected
Kakinada	Bum Woo	14000	CPO	Arrived
	Madura	14000	CPO	Arrived
	Shimakaze	5000	CPO	Expected
Mumbai	Royal Emerald	4000	Palm oil	Expected
JN Port	Produce	13000	SBO	Expected
Tuticorin	Filma Satu	620	Palm Oil	Expected
Chennai	Thressa II	7998	Palm Oil	Arrived
	MMM Jackson	6000	CPO	Expected
New Mangalore Port	Hua Yun V	6500	CPO	Arrived

**Forex Rates**

(As on 9.9.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.07
European Union	Euro	58.37
Japan	100 Yen	39.39
United Kingdom	Pound Sterling	85.94