

## VEGOIL DAILY

September 25, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy decline in the major centers on low demand compared to Friday as traders are waiting for some more decline in the imported oil in near term. Sharp decline in the CIF cost of soy refine results into easing of prices of imported soy oil and low landing cost. Sharp break in CBOT overnight on good crop forecast results into sharp break of prices into the domestic market. The CIF rate for refined soy oil for September shipment decline sharply from \$584/ton on Friday to \$574 on Saturday, which results into cheap availability of imported refined soy oil. The prices are expected to follow the developments in overseas market.

#### FUTURES MARKETS:

Soy oil futures opened weak and decline afterwards taking the cue from weakness of overseas market. Profit booking and short covering could be seen from time to time. Speculative selling results into sharp decline in sentiments. October soy oil futures opened at 425.80 and traded in the range of 422.80 and 425.80 and settled at 423.60.

#### PRICE DRIVERS:

##### **Bullish:**

1. Expected increase in festival demand
2. Crop damage concern and low acreage of other oilseeds
3. Low crop estimate by government

##### **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

Large filled body candlestick indicating sharp break of prices into the market. Stochastic indicates bearish sentiments likely to continue for some more time. Prices closed below 9 days and 18 days EMA indicating slackness in the market sentiments. MACD is moving in the negative zone with increasing divergence indicating bearish trend likely to continue for some more time. Volume and OI remains almost steady.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDex October	421.0	422.3	423.6	421.3	427.4

#### TRADE RECOMMENDATION:

NCDex Refined Soy Oil October Contract:  
Sell below 423.20; T1 421.30, and put stop loss at 424.50.

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

Centres	23.09.06	22.09.06	Change
Mumbai (Soy Ref oil)+VAT	417	420	-3
Indore (Soy Ref oil)+VAT	407	410	-3
Kota (Soy Ref. Oil)+VAT	Closed	414	-
Hyderabad (Soy Ref)+VAT	438	445	-7
Rajkot (Soy Ref)+Tax	413	413	0

## PALM OIL

### International Highlights

**BMD Remains Closed on Saturday and Sunday**

### Domestic Spot Market Highlights

Spot market prices of palm oil decline in major centers on sharp decline in the prices of imported CPO and corresponding weakness in FOB of CPO and palmolein in different centers, which results into low prices of imported palm oil remains lucrative for the importers to import at cheaper rate. The market will closely follow the international developments in near terms.

#### BMD: CPO Futures (22.9.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1518	1521	1536	1521	1531	+13	709
Nov 06	1528	1532	1545	1529	1538	+10	1206
Dec 06	1535	1541	1554	1536	1545	+10	5526
Jan 07	1543	1548	1563	1546	1555	+12	1092
Feb 07	1549	1558	1569	1558	1564	+15	181

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

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	23.09.06	22.09.06	Change
Kandla CPO (5 % FFA)	381	383	-2
Kandla RBD Palmolein +VAT	406	408	-2
Mumbai RBD Palmolein +VAT	416	416	0
Chennai RBD Palmolein +VAT	426	426	0
Kakinada RBD Palmolein +VAT	407	410	-3
Hyderabad RBD Palmolein +VAT	430	432	-2
Delhi RDB Palmolein	450	455	-5

#### Rape/Mustard oil

Spot market prices of mustard oil remain decline in Mumbai while the prices at Delhi market remain steady. The different North Indian market remains closed on start of Navaratri festival. Therefore little activity was seen in these markets. The selling prices of old stock of mustard seed remain steady at Rs 1620 for new seed stocks while it remains at 1520 for oil stock. 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	23.09.06	22.09.06	Change
Mumbai (Exp. Oil) +VAT	415	420	-5
Kota (Expeller Oil)+VAT	Closed	388	-
Jaipur (Expeller Oil)+VAT	Closed	391	-
Delhi (Expeller Oil)	415	415	0
Neewai (Expeller Oil) +VAT	Closed	388	-

#### Groundnut Refine Oil

Groundnut oil prices remain mixed in most of the centers and continue to remain in the higher side of the prices. The arrivals of new seeds remains at its higher levels increasing trend could be seen on high export demand of the seeds. The prices at other location remain steady. The prices will much depend on the upcoming festival demand.

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

Centres	23.09.06	22.09.06	Change
Mumbai +VAT	545	540	+5
Rajkot +VAT	535	535	0
Andhra Region +VAT	600	600	0
Chennai +VAT	560	560	0
Delhi	540	545	-5

#### Sunflower Refine Oil

The prices of sunflower oil improved in Chennai while prices at other location remain steady. The rainfall is expected to cause some damage to the crops. Low stock position provides strength into the market. The price is expected to follow other oils closely.

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

Markets	23.09.06	22.09.06	Change
Mumbai +VAT	500	500	0
Chennai +VAT	520	512	+8
Hyderabad VAT	510	510	0

#### Cotton Refine Oil

Cotton refine prices remain steady in most of the market with slight decline in Hyderabad on low demand and increasing stock position. 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	23.09.06	22.09.06	Change
Mumbai +VAT	445	445	0
Hyderabad +VAT	440	445	-5
Rajkot + VAT	435	435	0
Delhi	425	425	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	MMM Kingston	6000	CPO	Expected
	Al Rafel	4000	SBO	Expected
	Chemroad Lily	8000	Palm Oil	Expected
	Meriom Dream	6000	SBO	Expected
Kolkata	Global Pallas	8200	CPO	Expected
	Marida Prince	10500	CPO	Arrived
	Nikos A	6000	SBO	Arrived
	Bum Woo	9000	CPO	Expected
Kakinada	Nikos A	7000	SBO	Expected
Cochin	Golden Crane	6000	Palm Oil	Expected
	Ace 7	4000	Palm Oil	Arrived
Chennai	Spring Wind	7250	Palm Oil	Arrived
	MMM Jackson	6000	CPO	Expected
JN Port	Marion Dream	8000	SBO	Arrived
New Mangalore Port	L Star	4000	CPO	Arrived
Mumbai	Ace 7	7450	CPO	Expected

**Forex Rates****(As on 23.09.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.93
European Union	Euro	58.72
Japan	100 Yen	39.41
United Kingdom	Pound Sterling	87.26