

VEGOIL DAILY

September 8, 2006

REFINE SOY OIL

SPOT MARKETS

Soy oil refine remain range bound with slight bullish sentiments owing to improvement in demand compared to the last day. The market look forward on the developments in the spot on coming demands for the various festivals this month. Spot market got additional strength from firmness in the futures market. Strength in BMD futures provided additional support to the market. The doldrums condition of government over a proper stand on hikes in custom duty after 31st Oct on palm oil keep the market confused and lack proper direction. CIF soy oil prices (September shipments) improved slightly at \$574/ton on Thursday. The price in the spot market is expected to trade range bound.

FUTURES MARKETS:

NCDEX refined soyoil September contract opened weak and witnessed choppy trade initially with steep rise during noon on the news of possible increase of import duty on palm oil after 31st Oct. The contract traded between 428.30-433.65 and the prices finally closed at 432.30.

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

Heavy rainfall expected to delay crop harvest, which in turn delay crushing. Heavy rainfalls in few locations with cloudy weather encourage pest attack which will further lowers its yield.

TECHNICALS

Candlestick indicating considerable improvement against previous day. Stochastic still remain in neutral zone with bearish sentiments. The price line is closed below 9 and 18 days EMA. MACD made bullish cross over. DMI and parabola indicating bearish sentiments likely to continue. The market is highly volatile at this stage. Volumes remain almost steady while OI decline marginally. Trade with caution.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Sep	425.5	427.3	432.3	433.7	435.6

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:
Sell below 431.0; T1 429.0, and put stop loss at 432.50.

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

Centres	7.09.06	6.09.06	Change
Mumbai (Soy Ref oil)+VAT	427	427	0
Indore (Soy Ref oil)+VAT	415	413	+2
Kota (Soy Ref. Oil)+VAT	417	Closed	-
Hyderabad (Soy Ref)+VAT	433	Closed	-
Rajkot (Soy Ref)+Tax	413	410	+3

PALM OIL

International Market Highlights

BMD Futures Settled Mixed

Crude palm oil futures on the BMD settled mixed on Thursday and witnessed choppy trade on lack of proper direction of the market. The market is waiting for the data to be released on 10th of September. The most active November CPO contract settled at MYR1,570 per metric ton, up MYR8 from the last trading day and varied between MYR1,555 and MYR1575. The choppy traded is expected to continue for some more time. High stock position at around 1.50-million-to-1.55-million-ton range results into large inventories, which pressurized the market with no recent demand.

Domestic Spot Market Highlights

Palm oil prices at most of the spot market remain steady with slight bearish note on weak demand in the spot market. Slight improvement could be seen on Kandla. Slight improvement in the BMD futures with choppy trade could results into little improvement in the spot market. The market is expected to follow the BMD futures.

BMD: CPO Futures (6.9.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Sep 06	1550	1538	1552	1538	1548	-2	339
Oct 06	1554	1548	1564	1546	1561	+7	1053
Nov 06	1562	1558	1575	1555	1570	+8	4383
Dec 06	1570	1569	1583	1563	1577	+7	852
Jan 06	1587	1578	1592	1578	1587	0	160

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	7.09.06	6.09.06	Change
Kandla CPO (5 % FFA)	392	390	+2
Kandla RBD Palmolein +VAT	416	418	-2
Mumbai RBD Palmolein +VAT	428	430	-2
Chennai RBD Palmolein +VAT	435	435	0
Kakinada RBD Palmolein +VAT	417	Closed	-
Hyderabad RBD Palmolein +VAT	440	Closed	-
Delhi RDB Palmolein	460	460	0

Rape/Mustard oil

The spot market prices of mustard seeds remain in most of the markets with bearish tinge. 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 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 remain mixed on low demand compared to previous day and the bottom line prices of the commodity. The prices of groundnut oil tend to follow other oils closely. The price is expected to remain range bound in near terms.

Sunflower Refine Oil

Sunflower oil prices decline in Chennai while remain stable in other locations. Low stock position results holding its prices at its current level. CIF sunflower oil prices (September shipments) remain unchanged at \$640/ton compared to Wednesday level. Sunflower is expected to follow other oils in near terms.

Cotton Refine Oil

The spot markets remain steady while slight decline could be noticed in Delhi. 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	7.09.06	6.09.06	Change
Mumbai (Exp. Oil) +VAT	423	423	0
Kota (Expeller Oil)+VAT	392	Closed	-
Jaipur (Expeller Oil)+VAT	394	Closed	-
Delhi (Expeller Oil)	408	410	-2
Neewai (Expeller Oil) +VAT	390	Closed	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	7.09.06	6.09.06	Change
Mumbai +VAT	530	530	0
Rajkot +VAT	525	520	+5
Andhra Region +VAT	550	Closed	-
Chennai +VAT	535	540	-5
Delhi	560	560	0

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

Markets	7.09.06	6.09.06	Change
Mumbai +VAT	510	510	0
Chennai +VAT	507	510	-3
Hyderabad VAT	500	Closed	-

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

Markets	7.09.06	6.09.06	Change
Mumbai +VAT	456	456	0
Hyderabad +VAT	435	Closed	-
Rajkot + VAT	445	445	0
Delhi	430	435	-5

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Chenroad Echo	6000	Palm oil	Expected
	MMM Kingston	6000	CPO	Expected
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

Forex Rates		(As on 7.09.2006)
Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.10
European Union	Euro	59.08
Japan	100 Yen	39.51
United Kingdom	Pound Sterling	86.82