

VEGOIL DAILY

September 29, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy prices remain steady to firm in most of the centers on improving demand in Indore, the major trading centre. As per traders the prices will improve in near term in the spot on increased demand on the eve of festivals. Firmness in the overseas market combined with rising crude oil prices provides fundamental support to the soy refine in domestic market. Low arrivals of fresh crop of soybean with high moisture content provided additional support to the oil market. Low import volume and low stock position of crude soy oil provided underlying support. The CIF rate for refined soy oil for September shipment decline marginally at \$572 on Thursday. The prices are expected to follow the developments in overseas market and movement in the crude oil prices.

FUTURES MARKETS:

Soy oil futures opened steady to firm and with initial decline surge high with intermittent short covering and profit booking. Speculative buying with a view of increase in crude oil prices results into higher close for the day. Improvement in BMD futures followed by anticipation of further gain in crude oil prices provided underlying support to the refined soy oil prices into the domestic spot market. October soy oil futures opened at 423.20 and traded in the range of 422.70 and 425.15 and settled at 424.70.

PRICE DRIVERS:

Bullish:

1. Low crop forecast in advance estimates
2. Improved crude oil prices at NYMEX

Bearish:

1. Improving weather situation
2. Low consumer demands

Weather

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

TECHNICALS

Candlestick with long body indicates bullish sentiments into the market. Stochastic made bullish cross over indicating bullish sentiments. Prices closed in between 9 days and 18 days EMA indicating improvement in the market sentiments. MACD made bullish cross over indicating bull run to continue for some more time. Volume decline slightly and OI improved marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	420.0	422.9	424.7	429.2	431.8

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:
Buy above 425.20; T1 427.30, and put stop loss at 424.00.

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

Centres	28.09.06	27.09.06	Change
Mumbai (Soy Ref oil)+VAT	410	410	0
Indore (Soy Ref oil)+VAT	407	405	+2
Kota (Soy Ref. Oil)+VAT	410	410	0
Hyderabad (Soy Ref)+VAT	438	438	0
Rajkot (Soy Ref)+Tax	406	407	-1

PALM OIL

International Highlights

BMD Futures Maintain Rally on Back of Crude

Crude palm oil futures maintain its upward rally in BMD on Thursday closely following initial rise in the crude oil. The most active December contract surge at MYR15 initially in the morning to MYR1,555 per metric ton but some decline could be seen during the later part of the trading session and settled up by MYR10 at MYR1,550/ton and remain in the range from MYR1544 to 1558. Technical buying gives underlying support as per traders. High stock position and low volume of export remains the main concern for the bears to dominate.

Domestic Spot Market Highlights

Lack lustre trade could be seen in the spot market on relatively low demand from the South and slight increase in the CPO prices. Further improvement in the BMD futures results into stable price position and prevent it from further downfall. The market will closely follow the international developments in near terms.

BMD: CPO Futures (28.9.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1527	1532	1541	1529	1530	+3	584
Nov 06	1533	1542	1550	1539	1543	+10	2235
Dec 06	1540	1546	1558	1544	1550	+10	6279
Jan 07	1550	1555	1567	1552	1557	+7	2447
Feb 07	1558	1566	1573	1562	1565	+7	97

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	28.09.06	27.09.06	Change
Kandla CPO (5 % FFA)	381	380	+1
Kandla RBD Palmolein +VAT	405	405	0
Mumbai RBD Palmolein +VAT	407	408	-1
Chennai RBD Palmolein +VAT	419	419	0
Kakinada RBD Palmolein +VAT	408	406	+2
Hyderabad RBD Palmolein +VAT	422	427	-5
Delhi RDB Palmolein	450	450	0

Rape/Mustard oil

Spot market prices of mustard oil improved on increased demand in the North Indian market on Navaratri. While high stock position in few other locations kept the prices in narrow range. The selling prices of old stock of mustard seed remain steady at Rs. 1510 while new seeds being sold at Rs 1585 per quintal. 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	28.09.06	27.09.06	Change
Mumbai (Exp. Oil) +VAT	413	413	0
Kota (Expeller Oil)+VAT	388	385	+3
Jaipur (Expeller Oil)+VAT	391	388	+3
Delhi (Expeller Oil)	410	410	0
Neewai (Expeller Oil) +VAT	386	385	+1

Groundnut Refine Oil

Groundnut oil prices remain steady in most centers on low stock position and improved demand in few locations. Slight improvement could be seen in Delhi on approaching festivals. The prices will much depend on the upcoming festival demand.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	28.09.06	27.09.06	Change
Mumbai +VAT	550	550	0
Rajkot +VAT	550	550	0
Andhra Region +VAT	600	600	0
Chennai +VAT	575	575	0
Delhi	540	530	+10

Sunflower Refine Oil

The prices of sunflower oil hold its steady position into the market on low stock position. The demand of sunflower remain stable with improvement in other oils keeps its sentiments firm and prevent it further downfall. The price is expected to follow other oils closely.

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

Markets	28.09.06	27.09.06	Change
Mumbai +VAT	500	500	0
Chennai +VAT	517	517	0
Hyderabad VAT	505	505	0

Cotton Refine Oil

Cotton refine prices improved in few location while slight decline could be registered from Rajkot Mandi on fresh arrivals. 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	28.09.06	27.09.06	Change
Mumbai +VAT	440	440	0
Hyderabad +VAT	450	440	+10
Rajkot + VAT	436	437	-1
Delhi	425	420	+5

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	MMM Kingston	6000	CPO	Expected
	Al Rafel	4000	SBO	Expected
	Pacific Ace	13000	CPO	Arrived
	Chemroad Mega	10000	CPO	Expected
	Global Union	5300	Palm Oil	Expected
Kolkata	Bao De Jin	5900	CPO	Arrived
	Global Pallas	8200	CPO	Arrived
	Hua Yun 5	6000	CPO	Arrived
	Bum Woo	9000	CPO	Arrived
Kakinada	Nikos A	7000	SBO	Expected
Chennai	Cheras	2800	CPO	Expected
	Bow Maastard	7600	SBO	Expected
JN Port	Marion Dream	8000	SBO	Arrived
Tuticorin Port	Spring Glory	7250	Palm Oil	Expected
Mumbai	Shimakaze	4000	CPO	Expected
Mundra	WS Enterprise	-	SBO	Expected

Forex Rates**(As on 28.09.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.92
European Union	Euro	58.38
Japan	100 Yen	39.04
United Kingdom	Pound Sterling	86.53