

VEGOIL DAILY

September 23, 2006

REFINE SOY OIL

SPOT MARKETS

Soy refine spot market prices decline at different centers on weak demand compared to the previous day and sharp decline in the futures market prices. Weakness in crude oil and corresponding decline in CBOT on Wednesday results into weakening spot market prices. The weather remain matter of concern over the growing region as heavy down pour expected to lowers the production of soybean. If the rain persists over the region may results into some loss to the standing crop of soybean. Coming festival season is expected to pull up the soy oil prices in near terms. The CIF rate for soy oil for September shipment improved marginally at \$584/ton on Friday. The prices are expected to improve in near term as per trade sources.

FUTURES MARKETS:

Soy oil futures opened weak with wide gap and decline sharply and retraced again. The then saw some improvement and choppy trade could be witnessed for most of the time. The market lack proper direction and remain volatile for most of the time. October soy oil futures opened at 426.10 and traded in the range of 425.00 and 427.35 and settled at 426.20.

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

Morning Doji star formation by candlesticks indicates possible trend reversal and bullish sentiments into the market. Stochastic remain stale and generates bearish sentiments. Prices closed below 9 days and 18 days EMA indicating slackness in the market sentiments. MACD is heading southwards indicating weakness. Volume declined while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	426.0	424.4	426.2	431.0	433.3

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:
Buy above 427.30; T1 429.0, and put stop loss at 426.0.

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

Centres	22.09.06	21.09.06	Change
Mumbai (Soy Ref oil)+VAT	420	422	-2
Indore (Soy Ref oil)+VAT	410	413	-3
Kota (Soy Ref. Oil)+VAT	414	413	-1
Hyderabad (Soy Ref)+VAT	445	445	0
Rajkot (Soy Ref)+Tax	413	413	0

PALM OIL

International Highlights

BMD Futures Spark Up on Flaring Crude Oil

Crude palm oil futures on BMD exchange closed higher on Friday amid strong gain in crude oil and expected coming export demand. The most active December CPO contract settled up by MYR10 at MYR1,545 per metric ton and traded in the range of MYR1536 and MYR1554. The contract traded on the higher side of the day for most of the time on strong speculative buying. The palm oil futures closely follow the crude oil for greater competence of palm with crude oil. Traders are again waiting for the export figures of SGS and Intertek surveyors said and exports are expected around 1.0 million-1.05 million tons during Sep 1-25 which is down from 1.1 million-1.2 million tons in corresponding period.

Domestic Spot Market Highlights

Spot market prices of palm oil decline in few locations while other locations remain steady at most of the centers on compatible prices of the Imported oil. 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	22.09.06	21.09.06	Change
Kandla CPO (5 % FFA)	383	384	-1
Kandla RBD Palmolein +VAT	408	408	0
Mumbai RBD Palmolein +VAT	416	418	-2
Chennai RBD Palmolein +VAT	426	430	-4
Kakinada RBD Palmolein +VAT	410	410	0
Hyderabad RBD Palmolein +VAT	432	432	0
Delhi RDB Palmolein	455	455	0

Rape/Mustard oil

Spot market prices of mustard oil remain mixed in different centers. Some demand in Rajasthan results into slight improvement in prices while other locations witnessed marginal decline. The selling prices of old stock of mustard seed decline slightly results into slight decline into the market. Mustard seed prices at Jaipur and Kota remain at Rs 1720-25 and 1540-1560 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	22.09.06	21.09.06	Change
Mumbai (Exp. Oil) +VAT	420	421	-1
Kota (Expeller Oil)+VAT	388	387	+1
Jaipur (Expeller Oil)+VAT	391	390	+1
Delhi (Expeller Oil)	415	415	0
Neewai (Expeller Oil) +VAT	388	389	-1

Groundnut Refine Oil

Groundnut oil prices increased further and maintain its firm position in most of the centers on high demand and low availability of seeds. The arrivals of new seeds increasing day by day on high export demand for the seeds which bringing the seeds and oils at their higher ends. 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	22.09.06	21.09.06	Change
Mumbai +VAT	540	535	+5
Rajkot +VAT	535	535	0
Andhra Region +VAT	600	600	0
Chennai +VAT	560	555	+10
Delhi	545	540	+5

Sunflower Refine Oil

The prices of sunflower oil remain mixed in different centers. 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	22.09.06	21.09.06	Change
Mumbai +VAT	500	505	-5
Chennai +VAT	512	510	+2
Hyderabad VAT	510	510	0

Cotton Refine Oil

Cotton refine prices remain steady in most of the market with slight weak undertone in Rajkot 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	22.09.06	21.09.06	Change
Mumbai +VAT	445	445	0
Hyderabad +VAT	445	445	0
Rajkot + VAT	435	436	-1
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 22.09.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.94
European Union	Euro	58.78
Japan	100 Yen	39.45
United Kingdom	Pound Sterling	87.41