

VEGOIL DAILY

September 4, 2006

REFINE SOY OIL

SPOT MARKETS

Soy oil refine decline sharply in major centers on low demand compared to the Friday. The prices of spot market follow the sharp decline in the futures market. Government trying to keep check on the rising prices of edible oil and therefore there is a meagre chance of any further hike in the tariff value. Recent rainfall in few regions is expected to boost the soybean yield but continuous rainfall may result into crop damage. The rainfall is harmful at flowering stage, as heavy rainfall will results into washing out the pollen grains. CIF soy oil prices (September shipments) decline at \$577/ton on Saturday. The price in the spot market is expected to trade range bound with further improvement on approaching festivals.

FUTURES MARKETS:

NCDEX refined soyoil September contract opened weak on Saturday and surge high initially on short covering. Later sharp decline could be seen on speculative selling. The contract traded between 433.0-437.20 and the prices finally closed at 433.3.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Low import compared to last month.
3. Expected delay in crop arrivals
4. Pest infestation in few regions

Bearish:

1. Roll back of hike in tariff value.
2. Low consumer demands

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

Long filled Candlesticks indicating bearish sentiment in the market. Stochastic is in neutral region indicating bullish sentiments. The price line is closed below 9 and 18 days EMA. MACD curving down indicating possible bearish cross over. Volumes decline marginally and OI remains almost steady. Trade with caution.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Sep	428.2	430.6	433.3	438.4	440.8

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:
Buy above 431.8; T1 433.00, T2 near 435.4; and put stop loss at 428.0.

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

Centres	2.09.06	1.09.06	Change
Mumbai (Soy Ref oil)+VAT	427	427	0
Indore (Soy Ref oil)+VAT	416	418	-2
Kota (Soy Ref. Oil)+VAT	416	418	-2
Hyderabad (Soy Ref)+VAT	435	442	-7
Rajkot (Soy Ref)+Tax	413	413	0

PALM OIL

International Market Highlights

BMD Remain Close on Saturday and Sunday

Domestic Spot Market Highlights

Palm oil prices at spot market decline sharply on low international prices with low offtake from the ports. Low demand compared to previous day results into sharp decline in its prices. The price at the spot is expected to follow the international developments and crude oil.

BMD: CPO Futures (1.9.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 06	1557	1571	1580	1567	1570	+13	479
Oct 06	1568	1574	1591	1574	1581	+13	738
Nov 06	1578	1584	1602	1584	1590	+12	5574
Dec 06	1588	1600	1612	1597	1600	+12	3774
Jan 06	1596	1610	1622	1606	1621	+25	526

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	2.09.06	1.09.06	Change
Kandla CPO (5 % FFA)	397	397	0
Kandla RBD Palmolein +VAT	421	423	-2
Mumbai RBD Palmolein +VAT	430	430	0
Chennai RBD Palmolein +VAT	440	442	-2
Kakinada RBD Palmolein +VAT	425	430	-5
Hyderabad RBD Palmolein +VAT	445	450	-5
Delhi RDB Palmolein	460	465	-5

Rape/Mustard oil

The spot market prices of mustard seeds decline in most of the North Indian market as NAFED started selling its seeds at lower prices. Low demand compared to the previous day kept the prices checked. NAFED selling seeds at Rs 1620 and 1535 for new and old stocks respectively. The mustard seed prices at Jaipur and Kota remain at Rs. 1735-1740 and 1540-1560 respectively. The price will depend on the NAFEDs action for any further price cut.

Groundnut Refine Oil

Groundnut oil prices on major domestic spot market remain steady with slight bearish note as the prices were already at its plateau levels. Marginal decline is also owing to the slackness in demand compared to previous day. The price is expected to improve in coming days.

Sunflower Refine Oil

Sunflower oil prices improved in major market on respective high demand compared to the previous day. Low stock position results holding its prices at its current level. CIF sunflower oil prices (September shipments) decline marginally at \$639/ton compared to Friday level. Sunflower is expected to follow other oils in near terms.

Cotton Refine Oil

The spot market prices mixed with bearish note in different centers. The prices of the cotton oil are already at its highest levels and decline in its prices is obvious as there are little chances for its further improvement. Prices are expected to move range bound following other oils in near term.

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

Centres	2.09.06	1.09.06	Change
Mumbai (Exp. Oil) +VAT	425	424	+1
Kota (Expeller Oil)+VAT	394	395	-1
Jaipur (Expeller Oil)+VAT	395	398	-3
Delhi (Expeller Oil)	412	415	-3
Neewai (Expeller Oil) +VAT	391	393	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	2.09.06	1.09.06	Change
Mumbai +VAT	530	530	0
Rajkot +VAT	535	540	-5
Andhra Region +VAT	550	550	0
Chennai +VAT	540	540	0
Delhi	560	565	-5

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

Markets	2.09.06	1.09.06	Change
Mumbai +VAT	510	500	+10
Chennai +VAT	510	505	+5
Hyderabad VAT	505	510	-5

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

Markets	2.09.06	1.09.06	Change
Mumbai +VAT	458	458	0
Hyderabad +VAT	440	445	-5
Rajkot + VAT	458	460	-2
Delhi	440	440	0

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Chem Cosmos	24500	Palm oil	Expected
	Prita Dewi	8000	Palm oil	Expected
	Chenroad Echo	6000	Palm oil	Expected
	MMM Kingston	6000	CPO	Expected
Kolkata	Khadijah	6300	CPO	Arrived
	Bao De Jin	9498	CPO	Arrived
	Zhong Hua 7	8000	CPO	Expected
Kakinada	Istana VI	5000	CPO	Arrived
	Sun Pine	5000	CPO	Expected
	Shimakaze	11000	CPO	Expected
	Madura	14000	CPO	Expected
Mumbai	Royal Emerald	4000	Palm oil	Expected
	Olympic	12290	CPO	Arrived
JN Port	Produce	13000	SBO	Expected
Tuticorin	Spring Wind	7000	Palm Oil	Arrived
	Filma Satu	620	Palm Oil	Expected
Chennai	Shimakaze	6000	CPO	Arrived

Forex Rates

(As on 2.09.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.53
European Union	Euro	59.71
Japan	100 Yen	39.73
United Kingdom	Pound Sterling	88.67