

VEGOIL DAILY

September 13, 2006

REFINE SOY OIL

SPOT MARKETS

Soy oil markets observed mostly weak trend. Advises from the overseas markets remained mixed. Steady trend at KLCE provided mild support. Monthly crop report of United State Department of Agriculture (USDA) as expected came bearish. USDA raised its estimates for soybean production in 2006-07 to 84.18 million ton against its previous estimates of 79.68 million ton. In domestic arena, weather would play crucial as its harvest is round the corner.

FUTURES MARKETS:

Soy oil futures opened firm and reached the day's high within 30 minutes after opening of the session. Futures soon started falling downward subsequent to these modest gains in the beginning and bottomed out by 11.30 hrs. Steady gains thereafter helped futures recovering from negative zone late in the session. October soyoil futures settled up Rs 1.35 per 423.40 per qtl.

PRICE DRIVERS:

Bullish:

1. Expectation of festive demand in coming weeks
2. Possible hike on import duty on palm oil

Bearish:

1. Improving weather situation
2. Low consumer demands
3. Weak advises from overseas markets

Weather

Weather so far is conducive, but latest forecast of IMD calls for scattered showers in some parts of central India and Maharashtra. Since, Soybean crop is nearing maturity, extended spell of rains will not be desirable.

TECHNICALS

Formation of 'bullish dragonfly doji' signals likely reversal in trend. Prices closed below both the 9-days and 18-day EMA. %K line is running below %d line, while RSI is giving signals of regaining momentum. MACD is running flat into negative territory.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	417.8	420.6	423.4	424.8	426.2

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:
Buy below 423.40; T1 424.80, and put stop loss at 422.50.

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

Centres	12.09.06	11.09.06	Change
Mumbai (Soy Ref oil)+VAT	423	426	-3
Indore (Soy Ref oil)+VAT	407-409	410-412	-1
Kota (Soy Ref. Oil)+VAT	412	412	-
Hyderabad (Soy Ref)+VAT	420	420	-
Rajkot (Soy Ref)+Tax	406	408	-2

PALM OIL

International Market Highlights

BMD Palm Oil Futures Finish Marginally Down

Crude Palm oil futures at Bursa Malaysia Derivatives Exchange settled tad lower after choppy session. Benchmark November contract finished off MYR1 at MYR1538 per ton. Market in fact had nothing favorable for bulls. At the same time traders feel that market was overdone on bearish reports released yesterday. Traders are suspicious about its promising perspectives in short to medium term. According to cargo Surveyor, Intertek estimated the Malaysian palm oil export during September 1-10 at 356,717 ton, down 22% compared to its export during the corresponding period last month. Alos, Malaysian Palm Oil Board put its estimates for August-end stock of Malaysian palm oil at 1.68 million ton.

Domestic Spot Market Highlights

Palm oil markets featured lacklustre trading. Advises from the overseas markets remained mixed, but demand for the same has not been good from the retail end, as people are anticipating ease in its prices with the onset of kharif oilseed harvest. Bearing in mind festival season ahead, people also rule out possibility of big ease in its prices by next month.

BMD: CPO Futures (11.9.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 06	1524	1525	1530	1520	1525	+1	365
Oct 06	1529	1529	1537	1525	1528	-1	398
Nov 06	1539	1536	1548	1535	1538	-1	3659
Dec 06	1549	1550	1557	1543	1546	-3	2429
Jan 06	1559	1561	1565	1555	1558	-1	597

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.09.06	11.09.06	Change
Kandla CPO (5 % FFA)	390	392	-2
Kandla RBD Palmolein +VAT	413	414	-1
Mumbai RBD Palmolein +VAT	426	428	-1
Chennai RBD Palmolein +VAT	428	428	-
Kakinada RBD Palmolein +VAT	412	413	-1
Hyderabad RBD Palmolein +VAT	435	435	-
Delhi RDB Palmolein	455	455	-

Rape/Mustard oil

Rape oil markets continued to see weak trend. Traders are expecting its demand to improve in coming weeks from the eastern consumption centers for 'Durga Puja', Dusshera, Diwali. Demand at present is very weak. This sluggish trend is likely to continue for a week or so, as advises from the overseas markets also have not been very supportive. Stock situation is a routine bearish factor. Nafed is offering seed at marginally lower prices than private offerings.

Groundnut Refine Oil

Downfall in groundnut oil prices held up following weather forecast reports calling for rains in some areas of South Gujarat. Although crop is not sown intensely in these areas, market took caution on fear of further spread in other areas. Harvest of groundnut has started in Saurashtra and expected to gain momentum in a week or so.

Sunflower Refine Oil

Sunflower markets featured steady trend. Stock of the same was reported low in most major producing markets. Mild pressure is likely with the picking up of harvest of groundnut.

Cotton Refine Oil

Cotton refine markets featured weak trend. According to traders, demand for the same is dwindling at higher prices from the retail end. Also, harvest of kharif oilseed ahead kept the market dispirited. Weather in western and central zone will play crucial in shaping sentiments in the market ahead.

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

Centres	12.09.06	11.09.06	Change
Mumbai (Exp. Oil) +VAT	420-421	421-422	-
Kota (Expeller Oil)+VAT	386	386	-
Jaipur (Expeller Oil)+VAT	389	389	-
Delhi (Expeller Oil)	405	408	-3
Neewai (Expeller Oil) +VAT	384	386	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.09.06	11.09.06	Change
Mumbai +VAT	525	525	-
Rajkot +VAT	500-505	505-510	-
Andhra Region +VAT	550	540	+10
Chennai +VAT	535	535	-
Delhi	560	560	-

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

Markets	12.09.06	11.09.06	Change
Mumbai +VAT	505-507	510	-3
Chennai +VAT	510	510	-
Hyderabad VAT	505	505	-

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

Markets	12.09.06	11.09.06	Change
Mumbai +VAT	448	448	-
Hyderabad +VAT	435	435	-
Rajkot + VAT	422	425	-3
Delhi	425	430	-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
	Global Eos	4000	CPO	Arrived
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
New Mangalore Port	Hua Yun V	6500	CPO	Arrived

Forex Rates**(As on 12.09.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.340
European Union	Euro	58.900
Japan	100 Yen	39.390
United Kingdom	Pound Sterling	86.520