

VEGOIL DAILY

September 28, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy prices improved in the Indore spot market on improved demand during Navaratri festival. Steady buying in the region results into improvement in the spot market price but cheap import and relatively higher supply of refined soy keep the prices at subdued levels in other locations. Firmness in BMD futures and bullish sentiments in eCBOT provided additional support to the refined soy oil. The prices of refined soy are creeping at its lowest level and any improvement from current levels cannot be denied as per traders. The prices of refined soy in the spot market will much dependent on the imported prices which in turn dependent on the crude oil prices. Though some arrivals could be seen from Maharashtra but the quality remain poor on high moisture content. The CIF rate for refined soy oil for September shipment improved slightly at \$578 on Wednesday. The prices are expected to follow the developments in overseas market.

FUTURES MARKETS:

Soy oil futures opened weak and traded side ways for most of the time with strong gain on later part of the trading session. Gain in overseas market provided additional support to the futures market. October soy oil futures opened at 421.60 and traded in the range of 420.70 and 423.60 and settled at 422.05.

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 upper and lower shadow and small body indicating indecisiveness into the market. Stochastic though improved but indicating bearish sentiments. Prices closed below 9 days and 18 days EMA indicating slackness in the market sentiments. MACD is curving up indicating room for further improvement. Volume and OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	418.4	420.2	422.05	427.0	429.2

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:
Buy above 422.70; T1 424.90, and put stop loss at 421.50.

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

Centres	27.09.06	26.09.06	Change
Mumbai (Soy Ref oil)+VAT	410	414	-4
Indore (Soy Ref oil)+VAT	405	402	+3
Kota (Soy Ref. Oil)+VAT	410	410	0
Hyderabad (Soy Ref)+VAT	438	440	-2
Rajkot (Soy Ref)+Tax	407	408	-1

PALM OIL

International Highlights

BMD Futures Settled High on Rising Crude

Crude palm oil futures on BMD settled higher on Wednesday on improving crude oil prices and with the view of bottom line prices of palm oil. The most active December contract settled at MYR1,540 per metric ton, up MYR19 from Tuesday and varied from MYR1,522/ton to MYR1,546/ton. The market failed to close below the psychological level of MYR1500, which light the candle of hope for further improvement. Rise in BMD futures govern by the marginal rise in crude and it seems crude is paving the way for rise in palm oil futures in BMD. Some technical gain could be witnessed for the palm futures.

Domestic Spot Market Highlights

Steady sentiments could be seen in different locations with slight bearish note on cheap imported palm group of oils. Slight improvement in the BMD futures keep the trade check in restricted range. The market will closely follow the international developments in near terms.

BMD: CPO Futures (27.9.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1511	1508	1530	1506	1527	+16	520
Nov 06	1515	1515	1539	1515	1533	+18	1350
Dec 06	1521	1523	1546	1522	1540	+19	6645
Jan 07	1530	1534	1555	1531	1550	+20	1079
Feb 07	1542	1554	1565	1543	1557	+15	330

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.09.06	26.09.06	Change
Kandla CPO (5 % FFA)	380	380	0
Kandla RBD Palmolein +VAT	405	405	0
Mumbai RBD Palmolein +VAT	408	412	-4
Chennai RBD Palmolein +VAT	419	421	-2
Kakinada RBD Palmolein +VAT	406	406	0
Hyderabad RBD Palmolein +VAT	427	427	0
Delhi RDB Palmolein	450	450	0

Rape/Mustard oil

Spot market prices of mustard oil remain steady in most of the centers on wait and watch condition. The prices remain at its lowest level as per the traders. Demand in Rajasthan market is increasing with constant pace 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 1600 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	27.09.06	26.09.06	Change
Mumbai (Exp. Oil) +VAT	413	413	0
Kota (Expeller Oil)+VAT	385	385	0
Jaipur (Expeller Oil)+VAT	388	388	0
Delhi (Expeller Oil)	410	408	+2
Neewai (Expeller Oil) +VAT	385	386	-1

Groundnut Refine Oil

Groundnut oil prices remain steady in most centers on low stock position; export demand of seeds combined with 43% loss in the groundnut production. Slight decline in Chennai is owing to sluggish demand in the Chennai market compared to Tuesday. The prices will much depend on the upcoming festival demand.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	27.09.06	26.09.06	Change
Mumbai +VAT	550	546	+4
Rajkot +VAT	550	550	0
Andhra Region +VAT	600	600	0
Chennai +VAT	575	580	-5
Delhi	530	530	0

Sunflower Refine Oil

The prices of sunflower oil hold its steady position into the market on low stock position. The market seems to be in wait and watch condition for any further development. Slight improvement in Hyderabad could be seen on grater demand of oil compared to Tuesday. The price is expected to follow other oils closely.

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

Markets	27.09.06	26.09.06	Change
Mumbai +VAT	500	500	0
Chennai +VAT	517	517	0
Hyderabad VAT	505	500	+5

Cotton Refine Oil

Cotton refine prices remain steady in most of the market with slight increase in Rajkot on slight improvement in demand. 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	27.09.06	26.09.06	Change
Mumbai +VAT	440	440	0
Hyderabad +VAT	440	440	0
Rajkot + VAT	437	435	+2
Delhi	420	420	0

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 27.09.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.92
European Union	Euro	58.21
Japan	100 Yen	39.23
United Kingdom	Pound Sterling	86.97