

## VEGOIL DAILY

September 2, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Soy oil refine remains almost steady in most of the spot markets with bullish tinge on expected high festival demand. Improved futures in the BMD further have a bullish impact on the spot. Crop delays due to high and torrential rainfall remain the main concern among the traders and they are in buying in anticipation of unavailability and shortage during the festival season. Crop damage in few locations is also expected to keep the market firm. CIF soy oil prices (September shipments) improved significantly at \$582/ton on Friday. The price in the spot market is expected to trade range bound with further improvement.

#### FUTURES MARKETS:

NCDEX refined soyoil September contract opened firm on Friday and surge high on speculative buying on expected high demand combined with the soild gain in BMD futures. The contract traded between 437.45-440.95 and the prices finally closed at 437.70.

#### 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

Candlesticks remain indecisive after a sharp recovery. Stochastic indicating bullish sentiments. The price line is closed inbetween 9 and 18 days EMA. MACD is improving indicating bullish market sentiments. Volumes and OI remains almost steady. Trade with caution.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Sep	433.5	435.3	437.7	439.6	441.8

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:  
Buy near 436.9; T1 near 438.8; and put stop loss at 435.30.

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

Centres	1.09.06	31.08.06	Change
Mumbai (Soy Ref oil)+VAT	427	427	0
Indore (Soy Ref oil)+VAT	418	418	0
Kota (Soy Ref. Oil)+VAT	418	416	+2
Hyderabad (Soy Ref)+VAT	442	441	+1
Rajkot (Soy Ref)+Tax	413	413	0

## PALM OIL

### International Market Highlights

#### BMD Futures Settle Up

The BMD futures settle high after a choppy trade on Friday on surge in crude oil prices. The contract traded in the range between 1584-1602 and finally settled at 1590.

### Domestic Spot Market Highlights

Palm oil prices at spot market remain almost steady with slight improvements in few locations. The prices will improve on approaching festivals. 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	1.09.06	31.09.06	Change
Kandla CPO (5 % FFA)	397	398	-1
Kandla RBD Palmolein +VAT	423	422	+1
Mumbai RBD Palmolein +VAT	430	435	-5
Chennai RBD Palmolein +VAT	442	442	0
Kakinada RBD Palmolein +VAT	430	428	+2
Hyderabad RBD Palmolein +VAT	450	455	-5b
Delhi RDB Palmolein	465	465	0

### Rape/Mustard oil

The spot market prices of mustard seeds continue to remain firm on high demand of mustard oil and consequent demand from the millers for crushing. The prices got support on higher selling prices by the NAFED. The mustard seed prices at Jaipur and Kota remain at Rs. 1740 and 1560-1580 respectively. The price will depend on the NAFEDs action for any further price cut.

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

Centres	1.09.06	31.08.06	Change
Mumbai (Exp. Oil) +VAT	424	424	0
Kota (Expeller Oil)+VAT	395	393	+2
Jaipur (Expeller Oil)+VAT	398	396	+2
Delhi (Expeller Oil)	415	412	+3
Neewai (Expeller Oil) +VAT	393	392	+1

### Groundnut Refine Oil

Groundnut oil prices on major domestic spot market witnessed steady with slight bearish note as the prices were already at its plateau levels. Low availability of seeds for crushing and low stock position of oil keeps the market tight. The price is expected to improve in coming days.

### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	1.09.06	31.08.06	Change
Mumbai +VAT	530	530	0
Rajkot +VAT	540	542	-2
Andhra Region +VAT	550	550	0
Chennai +VAT	540	545	-5
Delhi	565	565	0

### Sunflower Refine Oil

Sunflower oil prices remain steady with slight decline in Chennai. Low stock position results holding its prices at its current level. CIF sunflower oil prices (September shipments) decline marginally at \$640/ton compared to Thursday level. Sunflower is expected to follow other oils in near terms.

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

Markets	1.09.06	31.08.06	Change
Mumbai +VAT	500	500	0
Chennai +VAT	505	507	-2
Hyderabad VAT	510	510	0

### Cotton Refine Oil

The spot market prices mixed with slight bearish note at Mumbai. 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.

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

Markets	1.09.06	31.08.06	Change
Mumbai +VAT	458	460	-2
Hyderabad +VAT	445	440	+5
Rajkot + VAT	460	460	0
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 1.09.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.53
European Union	Euro	59.61
Japan	100 Yen	39.67
United Kingdom	Pound Sterling	88.57