

VEGOIL DAILY

October 3, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy prices remain steady in most of the centers with slight decline in the Indore spot market. The market is in wait and watch condition and closely following the developments in international market. This week witnessed low volume of arrivals of imported SBO at 14000 MT that is not expected to pressurize the market as per traders. However the total arrivals of imported oil including palm oil group remain at 134933 MT that still remain a meagre quantity. The rise in crude oil prices has significantly had a bullish impact over the market and traders are watching closely any further developments. Lack lustre trade could be seen in most of the centers. The CIF rate for refined soy oil for September shipment remain at \$580 on Saturday. The prices are expected to follow the developments in overseas market and movement in the crude oil prices.

FUTURES MARKETS:

Soy oil futures opened weak and decline sharply on speculative selling. Some improvement could be seen on the later trading session on short covering and idea about expected festival demand. October soy oil futures opened at 422.40 and traded in the range of 422.90 and 426.40 and settled at 420.30.

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

Doji star formation by Candlestick indicating possible improvement into the market. Stochastic remain firm and indicating strength. Prices closed below 9 days and 18 days EMA indicating weak sentiments. MACD remain bullish but remain parallel and flat. Volume decline marginally while OI remain almost steady. Trade with caution as the market lack proper direction and remain volatile at this juncture.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	419.4	421.2	422.3	427.0	429.3

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:
Sell below 423.20; T1 425.30, and put stop loss at 421.50.

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

Centres	30.09.06	29.09.06	Change
Mumbai (Soy Ref oil)+VAT	414	414	0
Indore (Soy Ref oil)+VAT	407	409	-2
Kota (Soy Ref. Oil)+VAT	410	410	0
Hyderabad (Soy Ref)+VAT	440	440	0
Rajkot (Soy Ref)+Tax	406	406	0

PALM OIL

International Highlights

BMD Remain Closed on Saturday and Sunday

Domestic Spot Market Highlights

Palm oil prices at spot market remain steady to weak in almost all the centers with slight improvement in Mumbai as the demand remain weak in almost all the centers compared to Friday. The market will closely follow the international developments in near terms.

BMD: CPO Futures (29.9.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1530	1535	1544	1535	1542	+12	199
Nov 06	1543	1545	1553	1542	1552	+9	1111
Dec 06	1550	1555	1562	1548	1560	+10	4960
Jan 07	1557	1562	1572	1557	1569	+12	1420
Feb 07	1565	1570	1576	1569	1570	+5	30

***BMD Remains Closed on Saturday and Sunday**

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	30.09.06	29.09.06	Change
Kandla CPO (5 % FFA)	382	382	0
Kandla RBD Palmolein +VAT	407	407	0
Mumbai RBD Palmolein +VAT	412	409	+3
Chennai RBD Palmolein +VAT	423	424	-1
Kakinada RBD Palmolein +VAT	407	409	-2
Hyderabad RBD Palmolein +VAT	421	423	-2
Delhi RDB Palmolein	450	450	0

Rape/Mustard oil

Spot market prices of mustard oil remain steady in most of the centers while slight improvement could be seen in Mumbai and Delhi on improved demand compared to Friday. 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	30.09.06	29.09.06	Change
Mumbai (Exp. Oil) +VAT	422	415	+7
Kota (Expeller Oil)+VAT	388	388	0
Jaipur (Expeller Oil)+VAT	391	391	0
Delhi (Expeller Oil)	412	410	+2
Neewai (Expeller Oil) +VAT	387	387	0

Groundnut Refine Oil

Groundnut oil prices improved in most of the centers on firmness in demand and low stock position combined with high export demand of the groundnut seed. The groundnut oil prices likely to stay at current levels for some more time as per traders. The prices will much depend on the upcoming festival demand.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	30.09.06	29.09.06	Change
Mumbai +VAT	560	560	0
Rajkot +VAT	550	550	0
Andhra Region +VAT	600	600	0
Chennai +VAT	575	575	0
Delhi	540	540	0

Sunflower Refine Oil

The prices of sunflower oil remain steady on equality in demand and supply position. The demand of sunflower remain stable with improvement in other oils keeps its sentiments firm and prevent it further downfall. The price is expected to follow other oils closely.

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

Markets	30.09.06	29.09.06	Change
Mumbai +VAT	505	505	0
Chennai +VAT	515	515	0
Hyderabad VAT	505	505	0

Cotton Refine Oil

Cotton refine prices remain mixed in most of the centers and lack lusture trade could be seen in different Mandi. The prices of cottonseed oil remain compatible with soy refine and therefore the demand shifted towards soy refine, as the consumers mostly desire it. With the arrivals to take pace cotton oil is expected to decline in near terms. 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	30.09.06	29.09.06	Change
Mumbai +VAT	445	440	+5
Hyderabad +VAT	445	450	-5
Rajkot + VAT	437	437	0
Delhi	420	425	-5

PORT-WATCH (Latest):**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	MMM Kingston	6000	CPO	Expected
	Global Union	5300	Palm Oil	Expected
	Al Rafel	4000	SBO	Expected
	Pacific Sound	8808	Palm Oil	Arrived
	Pacific Ace	13000	CPO	Arrived
	Chemroad Mega	10000	CPO	Arrived
Kolkata	Bao De Jin	5900	CPO	Arrived
	Istana 6	4700	CPO	Arrived
	Khadijah	6300	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
	Madura	13775	CPO	Arrived
Mundra	WS Enterprise	-	SBO	Expected

Forex Rates**(As on 30.09.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.96
European Union	Euro	58.25
Japan	100 Yen	38.89
United Kingdom	Pound Sterling	86.01