

VEGOIL DAILY

September 27, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy prices traded mixed in different centers on lack lusture trade. The prices in few locations decline on low demand compared to the last trading day while some improvement could be seen on sharp rise in the crude oil prices in overseas market. Improvement in the international crude oil prices provided underlying support to the BMD futures that in turn support the soy oil market on anticipation of greater bio-diesel demand. Soybean started to arrive in the mandis but having high moisture and low oil content. Therefore its not fetching premium prices into the market. Full fledge arrivals will start from Nov onwards. The CIF rate for refined soy oil for September shipment decline marginally at \$572 on Tuesday. The prices are expected to follow the developments in overseas market.

FUTURES MARKETS:

Soy oil futures opened firm and traded with bullish note initially followed by side ways movement. Sentiments again improved during later part of the session on the back of rising BMD futures. Some retracement could be noticed during closing time of the market. October soy oil futures opened at 420.00 and traded in the range of 419.60 and 423.25 and settled at 422.40.

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

Unfilled long candlestick indicating bullish sentiments into the market. Stochastic indicates bearish sentiments. Prices closed below 9 days and 18 days EMA indicating slackness in the market sentiments. MACD is curving up indicating room for improvement. Volume and OI increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	418.8	420.4	422.4	426.1	427.8

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:
Buy above 422.90; T1 424.90, and put stop loss at 421.00.

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

Centres	26.09.06	25.09.06	Change
Mumbai (Soy Ref oil)+VAT	414	415	-1
Indore (Soy Ref oil)+VAT	402	405	-3
Kota (Soy Ref. Oil)+VAT	410	408	+2
Hyderabad (Soy Ref)+VAT	440	435	+5
Rajkot (Soy Ref)+Tax	408	413	-5

PALM OIL

International Highlights

BMD Ended Firm on Flaring Crude

Crude palm oil futures on the BMD settled up on Tuesday tracking crude oil closely. The sentiments in BMD continue to follow the crude oil prices and results into sharp gain in the futures market. The most active December contract settled at MYR1,521 per metric ton, up MYR15 from Monday and ranged from MYR1,511 to MYR1,527/ton. The futures market will continue to follow the crude oil futures in NYMEX and any movement is expected to influence the BMD futures on bio-diesel factor as per trader. The market is optimistic about the demand for bio-diesel production would be increased in near term on high demand from EU and corresponding rise in the crude oil prices in long run.

Domestic Spot Market Highlights

Mixed trade could be seen in the spot market prices of palm oil on improved futures in BMD and improvement in the prices in few locations. The market will closely follow the international developments in near terms.

BMD: CPO Futures (26.9.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1492	1505	1511	1497	1511	+19	388
Nov 06	1501	1514	1519	1505	1514	+13	1572
Dec 06	1506	1518	1527	1511	1521	+15	5732
Jan 07	1516	1530	1536	1522	1530	+14	1642
Feb 07	1525	1536	1542	1531	1542	+17	100

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.09.06	25.09.06	Change
Kandla CPO (5 % FFA)	380	380	0
Kandla RBD Palmolein +VAT	405	406	-1
Mumbai RBD Palmolein +VAT	412	414	-2
Chennai RBD Palmolein +VAT	421	425	-4
Kakinada RBD Palmolein +VAT	406	405	+1
Hyderabad RBD Palmolein +VAT	427	425	+2
Delhi RDB Palmolein	450	450	0

Rape/Mustard oil

Spot market prices of mustard oil witnessed lack lustre trade with mixed sentiments. Demand in Rajasthan market increased slightly which provided some support to the market prices. 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 1510 for old stock. 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	26.09.06	25.09.06	Change
Mumbai (Exp. Oil) +VAT	413	415	-2
Kota (Expeller Oil)+VAT	385	382	+3
Jaipur (Expeller Oil)+VAT	388	387	+1
Delhi (Expeller Oil)	408	410	-2
Neewai (Expeller Oil) +VAT	386	386	0

Groundnut Refine Oil

Groundnut oil prices improved in different centers on low stock position; export demand of seeds combined with 43% loss in the groundnut production. The arrivals of new seeds remains at its higher levels increasing trend could be seen on high export demand of the seeds. The prices at other location remain steady with slight decline in Delhi. The prices will much depend on the upcoming festival demand.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	26.09.06	25.09.06	Change
Mumbai +VAT	546	545	+1
Rajkot +VAT	550	535	+15
Andhra Region +VAT	600	600	0
Chennai +VAT	580	570	+10
Delhi	530	540	-10

Sunflower Refine Oil

The prices of sunflower oil remain steady with further decline in the Hyderabad market. The market seems to be in wait and watch condition for any further development. Low stock positions keep checking its prices for further downfall. The price is expected to follow other oils closely.

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

Markets	26.09.06	25.09.06	Change
Mumbai +VAT	500	500	0
Chennai +VAT	517	517	0
Hyderabad VAT	500	510	-10

Cotton Refine Oil

Cotton refine prices remain steady in most of the market with slight decline in Mumbai on low demand and increasing stock position. 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	26.09.06	25.09.06	Change
Mumbai +VAT	440	445	-5
Hyderabad +VAT	440	440	0
Rajkot + VAT	435	435	0
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	Expected
	Chemroad Lily	8000	Palm Oil	Arrived
	Meriom Dream	6000	SBO	Arrived
Kolkata	Bao De Jin	5900	CPO	Expected
	Global Pallas	8200	CPO	Arrived
	Nikos A	6000	SBO	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
	MMM Jackson	6000	CPO	Arrived
JN Port	Marion Dream	8000	SBO	Arrived
New Mangalore Port	L Star	4000	CPO	Arrived
Mumbai	Ace 7	7450	CPO	Expected
Mundra	WS Enterprise	-	SBO	Expected

Forex Rates

(As on 26.09.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.97
European Union	Euro	58.63
Japan	100 Yen	39.51
United Kingdom	Pound Sterling	87.32