

VEGOIL DAILY

September 30, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy prices improved in most of the centers while prices at other locations remain steady. Prices remain in tune with the international prices and following the development in overseas market. The spot market prices of refined soy oil also getting strength from strength in the futures market. Festival demand in different centers and low stock position in the southern states keep the prices in their higher ranges. Any further improvement in the overseas market could result into strong gain in the spot as per traders. Traders are watching the crude oil prices closely for any further improvement. The CIF rate for refined soy oil for September shipment improved by \$582 on Friday. The prices are expected to follow the developments in overseas market and movement in the crude oil prices.

FUTURES MARKETS:

Soy oil futures opened firm and with initial firmness owing to strength in BMD the market headed northward for some time. Market saw sharp decline after noon on talk about reduction of the tariff value by the government, which was not confirmed yet. This results into strong speculative selling that result into bearish sentiments. October soy oil futures opened at 425.00 and traded in the range of 422.80 and 426.40 and settled at 423.20.

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.

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

Centres	29.09.06	28.09.06	Change
Mumbai (Soy Ref oil)+VAT	414	410	+4
Indore (Soy Ref oil)+VAT	409	407	+2
Kota (Soy Ref. Oil)+VAT	410	410	0
Hyderabad (Soy Ref)+VAT	440	438	+2
Rajkot (Soy Ref)+Tax	406	406	0

TECHNICALS

Candlestick with filled long body indicates bearish sentiments into the market. Stochastic indicating strength. Prices closed in between 9 days and 18 days EMA indicating indecisiveness in the market sentiments. MACD remain bullish but trend still requires divergence for confirmation. Volume decline significantly while OI remain 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	418.0	419.4	423.2	425.2	427.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:
Sell below 422.60; T1 420.20, and put stop loss at 424.00.

PALM OIL

International Highlights

BMD Futures Rally Up on Speculative Buying

Crude palm oil futures maintained its rally on the BMD on Friday on speculative buying and closely following the footprint of crude though remain sluggish on later part of the trading session. The most active December contract opened at MYR1555, and remain its upper level for most of the trading session and settle MYR9 higher at MYR1,559 per metric ton. The contract traded in the range of MYR1548 to MYR1562. The futures price at BMD is much dependent on the crude oil prices and any sharp increase will results into sharp gain into the BMD futures.

Domestic Spot Market Highlights

Palm oil prices at domestic market increased in almost all the centers on improvement in the overseas market which results into strong improvement in spot market prices. 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	29.09.06	28.09.06	Change
Kandla CPO (5 % FFA)	382	381	+1
Kandla RBD Palmolein +VAT	407	405	+2
Mumbai RBD Palmolein +VAT	409	407	+2
Chennai RBD Palmolein +VAT	424	419	+5
Kakinada RBD Palmolein +VAT	409	408	+1
Hyderabad RBD Palmolein +VAT	423	422	+1
Delhi RDB Palmolein	450	450	0

Rape/Mustard oil

Spot market prices of mustard oil remain steady in lack of any fresh buying in most of the locations but slight increase in the oil prices could be witnessed on Mumbai and Neewai. 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	29.09.06	28.09.06	Change
Mumbai (Exp. Oil) +VAT	415	413	+2
Kota (Expeller Oil)+VAT	388	388	0
Jaipur (Expeller Oil)+VAT	391	391	0
Delhi (Expeller Oil)	410	410	0
Neewai (Expeller Oil) +VAT	387	386	+1

Groundnut Refine Oil

Groundnut oil prices improved significantly in Mumbai while it remain steady in most centers on low stock position and improved demand in few locations. 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	29.09.06	28.09.06	Change
Mumbai +VAT	560	550	+10
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 mixed and lack lusture trade could be witnessed in most of the centers. 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	29.09.06	28.09.06	Change
Mumbai +VAT	505	500	+5
Chennai +VAT	515	517	-2
Hyderabad VAT	505	505	0

Cotton Refine Oil

Cotton refine prices remain steady with slight decline in Rajkot on fresh arrivals. 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	29.09.06	28.09.06	Change
Mumbai +VAT	440	440	0
Hyderabad +VAT	450	450	0
Rajkot + VAT	437	436	-1
Delhi	425	425	0

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 29.09.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.96
European Union	Euro	58.33
Japan	100 Yen	38.97
United Kingdom	Pound Sterling	86.09