

VEGOIL DAILY

October 27, 2006

REFINE SOY OIL

SPOT MARKETS

Sentiments for Refined soy oil remained bullish in its spot markets on Thursday. Arrival of soybean increased in major producing areas. The demand for same significantly improved. Rising in crude oil futures along with increased palm oil futures on BMD had some bullish impact on domestic market as well as slight increased in CIF price also provided underlying support to market. Arrivals for soybean are likely to increase in market in coming days. The CIF rate for refined soy oil for September-January shipment slightly increased at \$615 on Thursday.

FUTURES MARKETS:

Soy oil futures at the NCDEX traded downwards following a weak opening. Increased selling interest at the higher levels slid down the futures. Increased arrivals amidst steady demand is also supported the sentiments. Most active November contract settled down Rs.1.70 at Rs.426.40 and hovered within the range of Rs.425.60-428.00.

PRICE DRIVERS:

Bullish:

1. Increase in crude oil prices
2. Increasing biodiesel demand

Bearish:

1. Increasing Arrival Pressure
2. Low Soy oil futures on CBOT

Weather

Weather looks favourable fieldwork for soybean harvest.

TECHNICALS

The candlestick is showing bearish sentiment. Sellers mainly dominated the market. Stochastic is in normal region and moving upwards. The % K line made bullish crossover with the %D line and moving upwards, hinting some bullish trend. The prices closed above 9 day and 18 day EMA. MACD is in positive territory and moving slightly downwards indicating weak tone at medium term. Both Volume as well as OI has decreased. Overall picture is indicating some bearish tone.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	422.0	423.0	426.4	428.0	430.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Sell Below 427.00; T1 425.00, T2 424.00 and put stop loss at 428.50.

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

Centres	26.10.06	25.10.06	Change
Mumbai (Soy Ref oil)+VAT	416	415	+1
Indore (Soy Ref oil)+VAT	406	403	+3
Kota (Soy Ref. Oil)+VAT	410	407	+3
Hyderabad (Soy Ref)+VAT	430	423	+7
Rajkot (Soy Ref)+Tax	Closed	403	-

PALM OIL

International Highlights

BMD futures Settle High on Thursday

The most active contract of January 07 ended high. Futures finished the day gaining MYR27 at MYR1,650 per ton. Traders are expecting decline in its production in current month, while higher export will likely help in depleting stocks of crude palm oil. Additional support came from rising crude oil futures on the back of emerging biodiesel demand worldwide. Friendly export report further helped futures to post gains. SGS cargo estimated increase in export by 7%.

Domestic Spot Market Highlights

Domestic palm oil prices improved on firm overseas advises as well as on emergence of new demand. News of no change in custom duty on palm products till Dec 31st 2006 had some positive impact on market. So, import duty on crude palm oil and crude palmolein will remain at 70% while for RBD Palmolein and Palm oil at 80% for rest of the year. Some support also came from increase in crude oil futures.

BMD: CPO Futures (26.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1574	1580	1596	1580	1594	+20	1147
Dec.06	1599	1620	1625	1609	1624	+25	2445
Jan.07	1623	1634	1651	1630	1650	+27	5781
Feb.07	1638	1646	1665	1645	1663	+25	615
Mar.07	1648	1658	1675	1655	1675	+27	163

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.10.06	25.10.06	Change
Kandla CPO (5 % FFA)	384	Closed	-
Kandla RBD Palmolein +VAT	405	Closed	-
Mumbai RBD Palmolein +VAT	416	415	+1
Chennai RBD Palmolein +VAT	428	425	+3
Kakinada RBD Palmolein +VAT	409	408	+1
Hyderabad RBD Palmolein +VAT	427	420	+7
Delhi RDB Palmolein	425	420	+5

Rape/Mustard oil

Restricted selling of rapeseed from stockists helped improving sentiments in the market. Traders believe that farmers might switch some acreage to other lucrative crop like chana in Rajasthan this season, as had poor realization against mustard crop last year. Nafed sold rapeseed at Rs. 1525 per quintal for old stock and Rs. 1620 per quintal for last year stock. Buying will likely to remain good from millers/crusher in forthcoming days.

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

Centres	26.10.06	25.10.06	Change
Mumbai (Exp. Oil) +VAT	418	416	+2
Kota (Expeller Oil)+VAT	388	388	0
Jaipur (Expeller Oil)+VAT	394	390	+4
Delhi (Expeller Oil)	416	413	+3
Neewai (Expeller Oil) +VAT	394	390	+4

Groundnut Refine Oil

Sentiments remained mixed in Groundnut refined oil spot markets. Rajkot market remained closed on Thursday. Demand remained steady from millers. There was enough stocking done before festivals. Traders are expecting fall in its price in coming days. Harvest of the same is progressing well. Weather is favorable for fieldwork in most producing areas.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	26.10.06	25.10.06	Change
Mumbai +VAT	535	540	-5
Rajkot +VAT	Closed	505	-
Andhra Region +VAT	585	580	+5
Chennai +VAT	540	540	0
Delhi	500	500	0

Sunflower Refine Oil

Emergence of fresh demand after long festival holiday helped improving prices of sunflower refined oil. Demand remained confined from millers. Arrival of sunflower remained low on Thursday, which is likely to intensify in coming days and prices for the same is expected to ease in near terms. The CIF prices of refined sunflower oil for September-January shipment increased slightly and were quoted at \$ 658 on Thursday.

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

Markets	26.10.06	25.10.06	Change
Mumbai +VAT	500	503	-3
Chennai +VAT	525	515	+10
Hyderabad VAT	515	505	+10

Cotton Refine Oil

Low arrival of Cottonseed reported in major markets, while demand was reported well. This has helped to raise Cotton refined oil prices. Harvesting is likely to increase in upcoming days.

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

Markets	26.10.06	25.10.06	Change
Mumbai +VAT	423	420	+3
Hyderabad +VAT	430	420	+10
Rajkot + VAT	Closed	413	-
Delhi	405	405	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	NCC Jubail	8,000	CPO	Expected
	Star Dream	6,000	CPO	Expected
	Golden Charlotte	11,000	Palm Oil	Expected
	Global Union	5,300	Palm Oil	Expected
	Nord Trader	10,000	CPO	Expected
Kolkata	Padang Halaban	6,350	CPO	Arrived
	Frabandari	7,300	CPO	Arrived
	Marida Prince	10,450	CPO	Arrived
	Spring Glory	7,239	CPO	Arrived
Mumbai	Pacific Sound III	16,750	Palm Oil	Expected
Chennai	Chemroad Vega	6,500	CPO	Expected
New Mangalore	Golden Dream	4,000	CPO	Expected

Forex Rates**(As on 26.10.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.30
European Union	Euro	57.22
Japan	100 Yen	38.12
United Kingdom	Pound Sterling	85.20