

VEGOIL DAILY

October 28, 2006

REFINE SOY OIL

SPOT MARKETS

Sentiments in spot market of refined soy oil remained mixed. High arrival reported in major centres but equally aggressive buying helped offsetting supply factor. The major buyers are millers, who have been getting many orders for SBM from exporters. Still all the mills have not yet started crushing in full capacity. Firm advises from overseas markets had additional bullish impact. Weather is suitable for harvesting. Arrivals for soybean are likely to increase in coming days. CIF prices of soyoil have also increased significantly in recent days. The CIF rate for refined soy oil for September-January shipment was quoted at \$618 on Friday.

FUTURES MARKETS:

Soy oil futures at the NCDEX traded upwards initially following a firm opening. However, some profit booking interest at the higher levels capped some of the early advances. The bullish sentiment at MBD is also underpinning the tone. Increased arrivals amidst steady demand is also supported the sentiments. The November contract settled up Rs.230 at Rs.428.60 and hovered within the range of Rs.428.10-430.80.

PRICE DRIVERS:

Bullish:

1. Higher demand from millers.
2. High soy futures on CBOT

Bearish:

1. Increasing Arrival Pressure
2. Harvesting in Progress

Weather

Weather looks favourable fieldwork for soybean harvest.

TECHNICALS

The candlestick is showing somewhat bullish sentiment. Buyers dominated the market. Stochastic is in normal region and moving upwards. The % K line made bullish crossover with the %D line and moving upwards to over bought region, hinting some bullish trend. The prices closed above 9 day and 18 day EMA. MACD is in positive territory and moving slightly upwards indicating positive tone at medium term. The Volume has increased whereas OI has decreased. Overall picture is indicating some bullish tone.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	421.0	424.0	428.6	433.0	435.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Buy Above 426.50; T1 428.50, T2 429.50 and put stop loss at 425.00.

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

Centres	27.10.06	26.10.06	Change
Mumbai (Soy Ref oil)+VAT	417	416	+1
Indore (Soy Ref oil)+VAT	405	406	-1
Kota (Soy Ref. Oil)+VAT	411	410	+1
Hyderabad (Soy Ref)+VAT	427	430	-3
Rajkot (Soy Ref)+Tax	407	Closed	-

PALM OIL

International Highlights

BMD futures End Up on Friday

Crude palm oil futures settled sharply higher on speculative buying. The most active contract of January 07 ended up MYR30 at MYR1,680 per ton. Overnight firm closing of soy futures at Chicago Board of Trade triggered fresh buying. Soy and palm oil are considered traditional rival and gains in soy would lead to switching of importers to palm oil. Export report released by SGS on Thursday revealed 7% rise in palm oil export on month basis. Slight downward correction is likely after big gains posted on Friday.

Domestic Spot Market Highlights

Palm oil price increased in spot market in tandem with sharp rise in crude palm oil futures on BMD. Local stockists quoted higher in tune to further gains in FOB price of palm oil, otherwise domestic demand was reported routine. Festival demand is over. Large numbers of vessels are reaching at different ports.

BMD: CPO Futures (27.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1594	1600	1623	1600	1623	+29	335
Dec.06	1624	1630	1657	1630	1656	+32	3650
Jan.07	1650	1655	1680	1655	1680	+30	8733
Feb.07	1663	1672	1694	1672	1694	+31	3621
Mar.07	1675	1685	1705	1685	1705	+30	1431

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.10.06	26.10.06	Change
Kandla CPO (5 % FFA)	390	384	+6
Kandla RBD Palmolein +VAT	406	405	+1
Mumbai RBD Palmolein +VAT	418	416	+2
Chennai RBD Palmolein +VAT	434	428	+6
Kakinada RBD Palmolein +VAT	410	409	+1
Hyderabad RBD Palmolein +VAT	429	427	+2
Delhi RDB Palmolein	428	425	+3

Rape/Mustard oil

The strong demand observed at spot market. The gains in soy and palm oil in overseas market had bullish impact on domestic market. High buying reported at few locations. Nafed increased its mustard seed rates and sold at Rs. 1545 per quintal for old stock and Rs. 1630 per quintal for last year stock. Traders do not rule out possibility of further rise in its prices owing to good demand.

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

Centres	27.10.06	26.10.06	Change
Mumbai (Exp. Oil) +VAT	418	418	0
Kota (Expeller Oil)+VAT	395	388	+7
Jaipur (Expeller Oil)+VAT	397	394	+3
Delhi (Expeller Oil)	420	416	+4
Neewai (Expeller Oil) +VAT	396	394	+2

Groundnut Refine Oil

Good buying for refined groundnut oil helped improving its prices in the spot market. Demand for groundnut was reported good from the millers. Arrivals of Groundnut were high on Friday. Traders are expecting further rise in coming days. Weather is suitable for fieldwork and harvesting is in its last phase.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	27.10.06	26.10.06	Change
Mumbai +VAT	535	535	0
Rajkot +VAT	505	Closed	-
Andhra Region +VAT	590	585	+5
Chennai +VAT	560	540	+20
Delhi	505	500	+5

Sunflower Refine Oil

Inconsistent arrival noticed in major growing areas. Sentiments remained mixed. Traders are less interested in sunflower due to higher prices. Slight decline was seen in its CIF prices. Arrivals are expected to increase in coming days. The CIF price of refined sunflower oil for September-January shipment was quoted at \$ 653 on Friday.

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

Markets	27.10.06	26.10.06	Change
Mumbai +VAT	505	500	+5
Chennai +VAT	522	525	-3
Hyderabad VAT	515	515	0

Cotton Refine Oil

Improvement in buying for cottonseed from millers helped improving sentiments. Arrivals remained high. Arrivals are expected to increase further in near terms. Harvesting is in progress in major producing areas amidst favorable weather situation.

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

Markets	27.10.06	26.10.06	Change
Mumbai +VAT	424	423	+1
Hyderabad +VAT	430	430	0
Rajkot + VAT	416	Closed	-
Delhi	410	405	+5

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	NCC Jubail	8,000	CPO	Arrived
	Star Dream	6,000	CPO	Arrived
	Golden Charlotte	11,000	CPO	Arrived
	Global Union	5,300	Palm Oil	Arrived
Kolkata	Vernal Grace	6,000	CPO	Arrived
	Frabandari	7,300	CPO	Arrived
	Marida Prince	10,450	CPO	Arrived
	Spring Glory	7,239	CPO	Arrived
Chennai	Spring Wind	7,257	Palm Oil	Expected
	Southern Unicorn	6,000	CPO	Expected
New Mangalore	Stolt Alliance	4,000	CPO	Expected
Tamil Nadu	Global Eros	10,800	Palm Oil	Expected
	Khadijah	6,250	Palm oil	Expected

Forex Rates**(As on 27.10.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.22
European Union	Euro	57.34
Japan	100 Yen	38.18
United Kingdom	Pound Sterling	85.49