

VEGOIL DAILY

October 17, 2006

REFINE SOY OIL

SPOT MARKETS

On Monday, CBOT remains closed, which unable to provide any proper direction to domestic market. The export figure on BMD futures kept on line weak in record as early expected with choppy trading during the day and decline in crude oil futures in evening at NYMEX as firm in first half in evening lack to regulate proper direction on soy oil prices in domestic market as well as biodiesel devoid of suitable demand on choppy sentiments of crude oil futures. The carry forward arrival pressurizing market at few locations but high selling helped to kept at range bound at other location. NBOT futures also weak withdrawn underlying support to stabilizing market but arrival pressure at as stated above resisted market in prices. The CIF rate for refined soy oil for September-January shipment declined marginally at \$592 on Monday.

FUTURES MARKETS:

Soyoil futures at NCDEX remained range bound with bearish inclination on Monday. Soyoil for November delivery opened the session gap down at Rs 418.05 and then it traded mostly in red throughout the session. Weakness in BMD futures spilled over to the soyoil at NCDEX and thus futures couldn't extend the gains of the prior session. The contract hovered in the range of Rs 417.8-419.6 per 10 kg.

PRICE DRIVERS:

Bullish:

1. Low crop forecast in advance estimates
2. Increase in crude oil prices

Bearish:

1. Congenial weather situation
2. Low consumer demands
3. Increasing Arrival Pressure

Weather

Weather looks favourable for the soybean crop and dry weather is desirable for good harvesting.

TECHNICALS

Charts continue to portray bullish picture in the soyoil market. Oscillators and EMA pattern are in favor of bulls, whereas, rising MACD in negative zone depicts decreasing bearish momentum in the soyoil market. Expect prices to show some volatility with bullish bias.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	415.5	416.8	418.5	421.3	422.7

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Buy above 417.5; T1 420.00, and put stop loss at 416.5.

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

Centres	16.10.06	14.10.06	Change
Mumbai (Soy Ref oil)+VAT	410	410	0
Indore (Soy Ref oil)+VAT	408	409	-1
Kota (Soy Ref. Oil)+VAT	407	407	0
Hyderabad (Soy Ref)+VAT	430	433	-3
Rajkot (Soy Ref)+Tax	400	398	+2

PALM OIL

International Highlights

BMD Futures Weak on Monday

The benchmark of Jan. 07 of crude palm oil futures ended with firm note at MYR1,590. The choppy trading during the day and weak emotions at the end of trade day resulting low BMD futures. The export data figures displayed by a cargo surveyor for period of October 1-15 also not supportive to push market at higher side and showed off poor result.

Domestic Spot Market Highlights

The low crude palm oil on BMD futures and closure of CBOT unable to provide proper direction and remain range bound in most of places. Local demand also not much change from previous condition and bound its price to last prices.

BMD: CPO Futures (16.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1557	1562	1562	1555	1555	-2	1254
Nov 06	1576	1583	1584	1572	1574	-2	3701
Dec 06	1591	1598	1600	1586	1590	-1	4771
Jan 07	1602	1607	1610	1600	1603	+1	1243
Feb 07	1610	1613	1620	1609	1609	-1	153

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	16.10.06	14.10.06	Change
Kandla CPO (5 % FFA)	379	380	-1
Kandla RBD Palmolein +VAT	403	403	0
Mumbai RBD Palmolein +VAT	411	411	0
Chennai RBD Palmolein +VAT	437	437	0
Kakinada RBD Palmolein +VAT	405	405	0
Hyderabad RBD Palmolein +VAT	420	420	0
Delhi RDB Palmolein	435	440	-5

Rape/Mustard oil

Sentiments remains mixed for mustard oil all centres. In Delhi, rise in demand satisfied justified with price hike, where as other location stagnant demand nullify any possible change in price along with NAFED, which selling pressure, i.e. Rs. 1510 per quintal for old stock and Rs. 1590 per quintal for new stock suppress market. Festival demand is only hope for traders in near terms.

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

Centres	16.10.06	14.10.06	Change
Mumbai (Exp. Oil) +VAT	410	410	0
Kota (Expeller Oil)+VAT	386	385	+1
Jaipur (Expeller Oil)+VAT	386	388	-2
Delhi (Expeller Oil)	418	415	+3
Neewai (Expeller Oil) +VAT	386	386	0

Groundnut Refine Oil

Some improvement in consumers demand found in Hyderabad, which raised groundnut refined oil prices. In Mumbai, more availability of oil helped to down its prices where as in other centres sufficiently supply is ready to meet asked demand kept rest of centres at price range prices. As few days left for peak demand, traders expecting some significant changes in prices.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	16.10.06	14.10.06	Change
Mumbai +VAT	550	555	-5
Rajkot +VAT	525	525	0
Andhra Region +VAT	590	585	+5
Chennai +VAT	555	555	0
Delhi	500	500	0

Sunflower Refine Oil

The overall demand in domestic market remains weak on arrival pressure but steep rise in CIF price induced domestic market to adhere it at range bound. The CIF price of refined sunflower oil for September-January shipment faced steep rise at \$ 632 on Monday. The due demand of it is likely to rise on improved demand in near terms.

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

Markets	16.10.06	14.10.06	Change
Mumbai +VAT	505	507	-2
Chennai +VAT	522	522	0
Hyderabad VAT	515	515	0

Cotton Refine Oil

Sentiments in cotton refined oil remains mixed nationwide. At few locations, mounting arrival pressure leaves no hope for price rise. Decline in arrival pressure in Rajkot with more flow of oil to other state kept it positive. The demand will likely to flourish in coming festival days.

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

Markets	16.10.06	14.10.06	Change
Mumbai +VAT	420	425	-5
Hyderabad +VAT	430	430	0
Rajkot + VAT	423	419	+4
Delhi	410	415	-5

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Kuarvan	2,000	Palm Oil	Expected
	Global Union	5,300	Palm Oil	Expected
	WS Enterprise	13,000	SBO	Arrived
	Akti N	20,000	SBO	Arrived
	MMM Galvestone	2,500	CPO	Arrived
	Chemroad Vega	10,000	CPO	Expected
	Smho Heron	3,000	CPO	Arrived
Cochin	Star Dream	3,000	Palm Oil	Arrived
	Golden Dream	6,000	Palm Oil	Expected
Goa	Star Dream	5,000	Palm Oil	Arrived
Kolkata	Global Pallas	5,000	CPO	Arrived
	Bow Maastard	18,056	CPO	Arrived
Mumbai	Gemini	13,000	SBO	Arrived
	Havi Ocean	7,205	CPO	Expected
	Chemroad Vega	6,500	CPO	Expected
Chennai	Filma Satu	6,100	Palm Oil	Expected
New Mangalore	Oak Princes	6,000	CPO	Expected

Forex Rates**(As on 16.10.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.46
European Union	Euro	56.85
Japan	100 Yen	38.08
United Kingdom	Pound Sterling	84.58