

## VEGOIL DAILY

October 10, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Waiting for Export figures on BMD futures and closed CBOT on Monday weakens Soy oil price nation wide. There is no massive development is found in overseas market and in lack of direction its prices falls. The existing low demand also helped to bring its prices down in domestic market. Only Indore managed to meet the asked demand and result in no change in price. Market still in wait and watch position. The CIF rate for refined soy oil also resisted movement in price and remained steady for September-January shipment at \$582 on Monday.

#### FUTURES MARKETS:

The refined soy futures at NCDEX November contract opened steady at 413.30 and traded with bearish note till noon on speculative selling. The sentiments improved with an idea of low prevailing prices of the contract combine with short covering and profit booking. The market remains indecisive throughout the day in lack of buying interest. Heavy arrivals of soybean continue to pressurize the market down. The prices moved in the range between 412.10 and 415.00 and finally settled at 413.85.

#### PRICE DRIVERS:

##### **Bullish:**

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

##### **Bearish:**

1. Congenial weather situation
2. Low consumer demands

#### Weather

Weather looks favourable for the soybean crop and dry weather is desirable during pod maturity and harvesting.

#### TECHNICALS

Spindle top formation by candlestick indicates indecisiveness into the market. Stochastic made bullish cross over indicating improvement in the market condition. The prices closed below 9 day and 18 day EMA indicating weakness. MACD made bullish crossover indicating improvement. Volume increased while OI remain steady.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	409.0	411.0	413.85	416.3	418.5

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

**Sell** Near 414.20; T1 412.70, and put stop loss at 415.30.

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

Centres	9.10.06	7.10.06	Change
Mumbai (Soy Ref oil)+VAT	411	412	-1
Indore (Soy Ref oil)+VAT	406	406	0
Kota (Soy Ref. Oil)+VAT	403	407	-4
Hyderabad (Soy Ref)+VAT	433	435	-2
Rajkot (Soy Ref)+Tax	400	402	-2

## PALM OIL

### International Highlights

#### BMD Futures Rise on High Export Expectation

Crude Palm Oil gained on future on BMD and closed slightly higher on Monday. The most active contract of December ended at MYR1,554 a metric ton, up MYR12 from Friday. Higher price in crude oil futures likely to enhance biodiesel demand as crude palm oil futures keeps the tracks of the crude oil futures. Market still in wait and position till Wednesday, which will display October 1-10 exports figures expecting gain some advantage to September 1-10 export figures lowered markets activities on Monday and witnessed above change.

### Domestic Spot Market Highlights

Palm oil is shown improvement in prices in most of centres. The positive development in BMD futures at the end of day after choppy trading exhibited bullishness in domestic market on Monday.

#### BMD: CPO Futures (9.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1511	1511	1517	1511	1519	+8	45
Nov 06	1530	1534	1534	1538	1540	+10	712
Dec 06	1542	1548	1551	1543	1554	+12	4452
Jan 07	1547	1555	1562	1554	1565	+18	1320
Feb 07	1558	1565	1571	1564	1574	+16	219

\*BMD Remains Closed on Saturday and Sunday

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	9.10.06	7.10.06	Change
Kandla CPO (5 % FFA)	379	377	+2
Kandla RBD Palmolein +VAT	404	404	0
Mumbai RBD Palmolein +VAT	410	410	0
Chennai RBD Palmolein +VAT	422	421	+1
Kakinada RBD Palmolein +VAT	404	403	+1
Hyderabad RBD Palmolein +VAT	430	425	+5
Delhi RDB Palmolein	440	445	+5

#### Rape/Mustard oil

Mixed sentiments ruled in domestic market on Monday. NAFED sold its mustard stock at Rs. 1495 per quintal for old stock while at Rs. 1590 per quintal for new stock. Under this scenario choppy trading is seen in most of centres. Few of them offered slightly improvement while others surrendered in current condition witnessed price fall. There will development in overseas market in likely to bring about some cheer among traders.

#### Groundnut Refine Oil

There has been Improved arrival of Groundnut seeds reported in major growing centres induced oil manufactures appetite and more crushing along with poor demand directed price to weak in Market. However arrival pressure is high and yet to achieve full swings but its impact is more and lower it prices to dropped down. In present status of arrival, traders accepting more change in near terms.

#### Sunflower Refine Oil

Poor demand in most of veg oil tends to prevail in domestic market. But slightly improvement in local demand in few centres supported sunflower price to move up. The CIF rate for refined sunflower oil for September-January shipment followed last track that is at \$628 on Monday. The prices for same expected to follows the development in other veg oil.

#### Cotton Refine Oil

Weak demand of Cotton refined oil from consumers lowered the sentiments and witnessed the significant change in prices. Traders are hoping for improvement in demand in most waiting festival days.

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

Centres	9.10.06	7.10.06	Change
Mumbai (Exp. Oil) +VAT	412	412	0
Kota (Expeller Oil)+VAT	382	385	-3
Jaipur (Expeller Oil)+VAT	385	388	+3
Delhi (Expeller Oil)	410	408	+2
Neewai (Expeller Oil) +VAT	NA	384	-

#### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	9.10.06	7.10.06	Change
Mumbai +VAT	565	565	0
Rajkot +VAT	550	560	-10
Andhra Region +VAT	590	595	-5
Chennai +VAT	560	556	+4
Delhi	530	530	0

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

Markets	9.10.06	7.10.06	Change
Mumbai +VAT	507	507	0
Chennai +VAT	517	515	+2
Hyderabad VAT	505	500	+5

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

Markets	9.10.06	7.10.06	Change
Mumbai +VAT	442	442	0
Hyderabad +VAT	435	440	-5
Rajkot + VAT	437	444	-7
Delhi	420	422	-2

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Eos	6,500	CPO	Expected
	Global Union	5300	Palm Oil	Expected
	WS Enterprises	13000	SBO	Expected
Kolkata	Laju Sejahtera	4500	CPO	Arrived
	Matina	11747	CPO	Arrived
	Olympic	2229	CPO	Arrived
	Southern York	6,000	CPO	Expected
Kakinada	Cheras	2,000	CPO	Expected
	Thressa II	12,000	CPO	Expected
	Bow Mastard	9,000	SBO	Expected
Chennai	Spring Wind	7300	Palm Oil	Expected
	Lion Ping Hu	3000	Palm Oil	Expected
	Filma Satu	6,100	Palm Oil	Expected
New Mangalore	Vernal Grace	6000	CPO	Expected
Mumbai	Shimakaze	4000	CPO	Expected
Mundra	WS Enterprise	21,500	SBO	Arrived
	Golden Far East	4,500	SBO	Expected
	Golden Far East	1,500	Sunflower Oil	Expected

**Forex Rates**

(As on 9.10.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.72
European Union	Euro	57.62
Japan	100 Yen	38.36
United Kingdom	Pound Sterling	85.53