

## VEGOIL DAILY

October 26, 2006

### REFINE SOY OIL

#### SPOT MARKETS

The spot market price for soy refined oil remained range bound. Demand for the same was reported weak. Traders believe that arrival of soybean will increase in coming days. Pace of soybean harvesting in recent had slowed due to festivity. Weather is favourable for fieldwork in major producing areas. Markets simply took no notice of firm advices from the overseas markets. Further, all the plants are not working with full capacity. Prices are likely to remain low in coming days.

#### FUTURES MARKETS:

Soy oil futures at the NCDEX traded upwards following a firm opening. Increased buying support at the lower levels lifted the futures at some higher levels. The lower arrivals due to ongoing festivals amidst poor demand is also supported the sentiments. Most active November contract settled up Rs.6.25 at Rs.421.85 and hovered within the range of Rs.422.60-428.90.

#### PRICE DRIVERS:

##### Bullish:

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

##### Bearish:

1. Congenial weather situation
2. Increasing Arrival Pressure

#### Weather

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

#### TECHNICALS

The candlestick is showing bullish sentiment. Buyers main dominated the market. Stochastic is in normal region and moving upwards. The % K line is likely to cross %D line from the below and moving upwards, hinting some bullish trend. The prices close above 9 day and 18 day EMA. MACD is in positive territory and moving upward indicating firm tone at medium term. Both Volume as well as OI has increased. Overall picture is indicating some bullish tone.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	424.0	425.5	428.5	430.5	433.0

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

**Buy** above 427.00; T1 429.00, T2 430.00 and put stop loss at 425.50.

#### Soybean Oil: Spot Market Prices (Rs/10Kg exc

Centres	25.10.06	23.10.06	Change
Mumbai (Soy Ref oil)+VAT	415	NA	-
Indore (Soy Ref oil)+VAT	403	NA	-
Kota (Soy Ref. Oil)+VAT	407	407	0
Hyderabad (Soy Ref)+VAT	423	423	0
Rajkot (Soy Ref)+Tax	403	403	0

## PALM OIL

### International Highlights

BMD futures remain closed in Wednesday.

### Domestic Spot Market Highlights

Domestic palm oil markets featured steady trend in absence of fresh fundamental news. Festive demand is over. Improving of INR versus dollar in recent weeks has made its import lucrative. Good numbers of vessels are reaching at different ports. Fresh direction is expected with the opening of BMD on Thursday after long holidays.

#### BMD: CPO Futures (20.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1570	1572	1575	1570	1574	+4	609
Dec.06	1589	1600	1601	1594	1599	+10	771
Jan.07	1610	1620	1623	1617	1623	+13	5658
Feb.07	1624	1634	1638	1630	1638	+14	1249
Mar.07	1636	1643	1648	1643	1648	+12	661

\*BMD Remains Closed on Wednesday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	25.10.06	23.10.06	Change
Kandla CPO (5 % FFA)	Closed	NA	-
Kandla RBD Palmolein +VAT	Closed	NA	-
Mumbai RBD Palmolein +VAT	415	NA	-
Chennai RBD Palmolein +VAT	425	435	-10
Kakinada RBD Palmolein +VAT	408	408	0
Hyderabad RBD Palmolein +VAT	420	420	0
Delhi RDB Palmolein	420	420	0

#### Rape/Mustard oil

Slight improvement was seen in mustard oil markets with emergence of fresh demand at lower prices. Nafed also quoted slightly higher as demand outpaced the supply. Nafed sold at Rs. 1520 per quintal for old stock and Rs. 1600 per quintal for last year stock. Buying remained confined from the crushers/millers. The range bound trends are likely in coming days.

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

Centres	25.10.06	23.10.06	Change
Mumbai (Exp. Oil) +VAT	416	NA	-
Kota (Expeller Oil)+VAT	388	388	0
Jaipur (Expeller Oil)+VAT	390	388	+2
Delhi (Expeller Oil)	413	414	-1
Neewai (Expeller Oil) +VAT	390	NA	-

#### Groundnut Refine Oil

Groundnut refined oil remained range bound on Wednesday. Demand was reported weak in gn oil markets. Millers are covered against their nearby needs. Traders rule out any possibility of big upwardly movements in its prices. Arrivals of groundnut are expected to increase in coming days. Weather is favorable for fieldwork in most of the producing areas.

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

Centres	25.10.06	23.10.06	Change
Mumbai +VAT	540	NA	-
Rajkot +VAT	505	505	0
Andhra Region +VAT	580	581	-1
Chennai +VAT	540	540	0
Delhi	500	500	0

#### Sunflower Refine Oil

Prices of sunflower oil remained weak on low demand. There was weak trading activity in market due to festival mood. Harvest of the same is continuing in major producing states, which will help setting trend in near terms.

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

Markets	25.10.06	23.10.06	Change
Mumbai +VAT	503	NA	-
Chennai +VAT	515	522	-5
Hyderabad VAT	505	505	0

#### Cotton Refine Oil

Cotton refined oil also observed range bound trading. Arrival of cottonseed is likely to increase in coming days, as trading activities will resume after long festival holidays. The prices of cottonseed oil are expected to fall further in near terms.

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

Markets	25.10.06	23.10.06	Change
Mumbai +VAT	420	NA	-
Hyderabad +VAT	420	421	-1
Rajkot + VAT	413	413	0
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 25.10.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.40
European Union	Euro	57.18
Japan	100 Yen	38.19
United Kingdom	Pound Sterling	85.33