

VEGOIL DAILY

October 13, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices decline in Indore on lack of desire demand. High arrival of soybean seed by major producing states continuous pressurizing the market to taste low prices. No change in oil price in Mumbai explained the stagnant demand. Sharp decline in the BMD futures on Wednesday with shattered crude oil at NYMEX resulting further weakness of imported oil. Above development in overseas market along with low domestic demand advanced weak sentiments in the spot market and it also pressurizing by future market. Cutting of soy oil on NBOT at lower prices results into decline in the futures at NCDEX. The futures market is expected to trade side ways as the market lack proper direction. The CIF rate for refined soy oil kept steady and September-January shipment remained at \$586 on Tuesday.

FUTURES MARKETS:

The refined soy futures at NCDEX November contract opened weak at 414.25 and traded with bearish sentiments for two hours to touch the days low following the decline in crude oil prices. The sentiments recouped earlier losses during the later part of the trading session on the back of improvement in the BMD futures. The prices at futures market remain in trading session for most of the time with whipsaws movement and registered steep rise during end of the trading session. The prices moved in the range between 412.20 and 414.35 and finally settled at 414.15

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 for good harvesting.

TECHNICALS

Small filled candlestick with long lower shadow indicates bulli sentiments as the prices retrieve later part of the trading session. Stochastic maintains its upward rally indicating firmness. The prices closed below 9 day and 18 day EM indicating weak market sentiments. MACD is moving upwa with wide divergence indicating firm sentiments. Volume and remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	410.0	412.3	414.15	418.0	420.3

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Buy above 414.00; T1 416.35, and put stop loss at 414.80.

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

Centres	12.10.06	11.10.06	Change
Mumbai (Soy Ref oil)+VAT	412	412	0
Indore (Soy Ref oil)+VAT	403	407	-4
Kota (Soy Ref. Oil)+VAT	404	404	0
Hyderabad (Soy Ref)+VAT	434	435	-1
Rajkot (Soy Ref)+Tax	398	398	0

PALM OIL

International Highlights

BMD Futures Firm on Thursday

The most active contract of Dec. ended with firm note at MYR1,569. Choppy trading in first half but later half showed off promising rise on recovery by crude oil futures price. The October 1-15 export data by SGS likely to provide some underlying support and may bring some cheer among traders resulting BMD futures to rise.

Domestic Spot Market Highlights

Mixed sentiments of palm oil are seen in domestic market. However, BMD futures is high but low demand in nationwide dropped down its price. However weak sentiments over crude oil on Wednesday help to further weaken its prices on Thursday.

BMD: CPO Futures (12.10.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1520	1528	1528	1520	1520	0	121
Nov 06	1538	1536	1555	1535	1548	+10	977
Dec 06	1553	1550	1569	1548	1560	+7	6847
Jan 07	1565	1563	1584	1562	1575	+10	2850
Feb 07	1571	1570	1592	1570	1592	+21	78

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.10.06	11.10.06	Change
Kandla CPO (5 % FFA)	377	379	-2
Kandla RBD Palmolein +VAT	403	404	-1
Mumbai RBD Palmolein +VAT	411	411	0
Chennai RBD Palmolein +VAT	427	425	+2
Kakinada RBD Palmolein +VAT	404	405	-1
Hyderabad RBD Palmolein +VAT	425	425	0
Delhi RDB Palmolein	430	438	-8

Rape/Mustard oil

The some improvement in demand repeated mustard oil price. Expected rise of demand is cut by sufficient supply and resulting no change in most of centres. NAFED still providing necessary demand by Expellers. However more crushing shifted mustard price at 1510 per quintal for old stock and at Rs. 1590 per quintal for new stock. Some rise is may come up under low demand scenario of other veg oil.

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

Centres	12.10.06	11.10.06	Change
Mumbai (Exp. Oil) +VAT	410	411	-1
Kota (Expeller Oil)+VAT	382	382	0
Jaipur (Expeller Oil)+VAT	382	382	0
Delhi (Expeller Oil)	409	409	0
Neewai (Expeller Oil) +VAT	383	384	-1

Groundnut Refine Oil

The weak demand for Groundnut Refined oil is seen in most of centre with improved arrival pressure witness weak price. However some improvement in demand is seen in few places and low availability strengthen its prices and rest remains stagnant and managed with arrival in market. Traders are expecting a little decline in arrival pressure during Festival day ahead in addition with due demand.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.10.06	11.10.06	Change
Mumbai +VAT	565	565	0
Rajkot +VAT	535	540	-5
Andhra Region +VAT	590	595	-5
Chennai +VAT	570	570	0
Delhi	530	523	+7

Sunflower Refine Oil

The stagnant demand for sunflower refined oil prevailed in nearly all centres whereas sharp increase in CIF prices unable to bring up any visible changes and market remains steady to yesterday position. The CIF price of refined sunflower oil for September-January shipment to \$ 631 on Thursday. Low arrival continued to be prominent factor and little improvement is likely to advance in near terms.

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

Markets	12.10.06	11.10.06	Change
Mumbai +VAT	507	507	0
Chennai +VAT	520	522	-2
Hyderabad VAT	510	510	0

Cotton Refine Oil

Although Cotton Refined oil's arrival pressure is not reached to optimum level but its effect more pronouncing in volatile market. Easy availability in market with weak demand expressed in down prices. Soon market will taste some improvement in demand in Dipawali days expected by traders.

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

Markets	12.10.06	11.10.06	Change
Mumbai +VAT	430	442	-12
Hyderabad +VAT	440	435	+5
Rajkot + VAT	418	423	-5
Delhi	415	418	-3

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
	Akti N	20,000	SBO	Arrived
	MMM Galvestone	2,500	CPO	Expected
	Chemroad Vega	10,000	CPO	Expected
	Smho Heron	3,000	CPO	Expected
Kolkata	Global Pallas	5,000	CPO	Arrived
	Southern York	2,229	CPO	Arrived
	Olympic	2,229	CPO	Arrived
Mumbal	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
Cochin	Star Dream	3,000	Palm Oil	Arrived
	Golden Dream	6,000	Palm Oil	Expected

Forex Rates**(As on 12.10.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.60
European Union	Euro	57.17
Japan	100 Yen	38.17
United Kingdom	Pound Sterling	84.73