

VEGOIL DAILY

October 20, 2006

REFINE SOY OIL

SPOT MARKETS

Spot prices of soy oil showed off the mixed sentiments in domestic market. At Hyderabad some improvement in consumer demand lifted the soy oil price up whereas in few locations sufficient stock position is ready to meet available demand supported price to range bound and in rest of locations undergone low demand and faced weak prices. Market reaction remains mixed for rumour of revision in tariff value of import oil provides certain underlying support in addition with high soy oil futures on CBOT on high demand for crushing and export with some rain likely to hit there shoot the market up. Rising of crude oil price on NYMEX provide additional support to market to remains steady on high biodiesel demand. The steep gain in CIF prices also pushed market to higher side. The CIF rate for refined soy oil for September-January shipment rise again to reach at \$609 on Thursday. The underlying development in overseas will provide some directional support in upcoming days.

FUTURES MARKETS:

Increased buying support lifted Soy oil sentiments at the futures market at some higher levels following a lower opening. The steady spot price is also underpinning the tone. Most active November contract settled higher Rs.4.20 at Rs.422.10 and hovered within the range of Rs.417.70-422.50.

PRICE DRIVERS:

Bullish:

1. Increase in crude oil prices
2. Festival 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 bullish candlestick indicates strength in the market on buyir support. Stochastic is in normal region The % K line is likely to cross %D line from the below and moving upwards, hinting some up trend. The prices closed just above 9 day and 18 day EMA indicating improvement in the market sentiments. MACD is moving slight upward indicating firm tone at medium term. Volume has increased and OI has decreased. Overall picture is indicating some bullish tone.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	413.9	415.3	417.7	420.5	422.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Buy above 423.00; T1 425.00, T2 426.00 and put stop loss at 421.50

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

Centres	19.10.06	18.10.06	Change
Mumbai (Soy Ref oil)+VAT	415	415	0
Indore (Soy Ref oil)+VAT	403	405	-2
Kota (Soy Ref. Oil)+VAT	407	407	0
Hyderabad (Soy Ref)+VAT	425	NA	-
Rajkot (Soy Ref)+Tax	403	400	+3

PALM OIL

International Highlights

BMD Futures Ended Weak on Thursday

The most active contract of Jan. 07 of crude palm oil futures on BMD ended with down with MYR2 to MYR1,610. Choppy trading through out day and sluggish in end resulted from devoid of interest by people to take new position. Little gain in crude oil futures provide some underlying support on BMD futures. Long holidays ahead also providing additional support market to drop down further.

Domestic Spot Market Highlights

Poor demand in domestic market declined palm oil prices at spot market. However some underlying support by soy oil futures influenced palm oil demand in overseas market support palm oil prices to remains fixed at range bound position. Hefty stock position also cut any expected change in price at most of locations.

BMD: CPO Futures (19.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1564	1564	1573	1564	1570	+6	954
Dec.06	1590	1595	1595	1589	1589	-1	422
Jan.07	1612	1615	1617	1609	1610	-2	2305
Feb.07	1625	1625	1631	1624	1624	-1	322
Mar.07	1635	1640	1642	1633	1636	+1	140

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	19.10.06	18.10.06	Change
Kandla CPO (5 % FFA)	379	380	-1
Kandla RBD Palmolein +VAT	403	403	0
Mumbai RBD Palmolein +VAT	415	415	0
Chennai RBD Palmolein +VAT	435	435	0
Kakinada RBD Palmolein +VAT	407	NA	-
Hyderabad RBD Palmolein +VAT	420	NA	-
Delhi RDB Palmolein	435	440	-5

Rape/Mustard oil

Mixed sentiments in mustard oil seen in most of centres. Some improvement in demand in Mumbai supported price to rise. Proper supply condition in other kept check on price and bound at range bound position. There is last hope of demand hike is only expectation among traders.

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

Centres	19.10.06	18.10.06	Change
Mumbai (Exp. Oil) +VAT	412	410	+2
Kota (Expeller Oil)+VAT	386	386	0
Jaipur (Expeller Oil)+VAT	386	386	0
Delhi (Expeller Oil)	414	418	-4
Neewai (Expeller Oil) +VAT	NA	387	-

Groundnut Refine Oil

The heavy arrival continued to rule in most of locations. The easy availability of groundnut seed pressurizing market and its prices falls in most of locations, where as high demand made some improvement in Delhi with firm support to price and to hike sufficiently. Dormant demand is now only hope festival days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	19.10.06	18.10.06	Change
Mumbai +VAT	540	545	-5
Rajkot +VAT	510	520	-10
Andhra Region +VAT	585	NA	-
Chennai +VAT	530	550	-20
Delhi	525	505	+20

Sunflower Refine Oil

At few locations, improvement in arrival pressure hampered refined sunflower oil price while in other location presence of sufficient stock cease market to volatile and bound at range bound prices. The CIF price of refined sunflower oil for September-January shipment repeated at \$ 637 on Thursday. Market in wait and watch condition.

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

Markets	19.10.06	18.10.06	Change
Mumbai +VAT	505	505	0
Chennai +VAT	520	522	-2
Hyderabad VAT	505	NA	-

Cotton Refine Oil

Weak demand in other veg oil directly pressuring cotton refined oil nationwide. At few places some improvement in arrival forcing price to remains weak. For traders improvement in demand is only hope to in near terms.

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

Markets	19.10.06	18.10.06	Change
Mumbai +VAT	422	422	0
Hyderabad +VAT	420	NA	-
Rajkot + VAT	413	420	-7
Delhi	400	408	-8

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 19.10.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.32
European Union	Euro	56.83
Japan	100 Yen	38.14
United Kingdom	Pound Sterling	84.70