

## VEGOIL DAILY

October 6, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy prices lacking the direction in overseas Market and domestic Market. A firm position is observed in overseas market but the lower demand in domestic market dampens any possibility of price rise and price follows the down trends. Traders are expecting the mix sentiments in near terms. They expect some more declines in the SBO and CPO prices on having good stock position. The market is in wait and watch condition and closely following the developments in the international market. There is movement in its price is expected to follows the trends as in overseas market.

#### FUTURES MARKETS:

The soy refined futures at NCDEX October contract opened steady to week and decline sharply on speculative selling. The prices fell sharply throughout the trading session on low demand and arrival pressure of the soybean crop containing high moisture content and not fetching low prices into the market. Low demand in the spot further provided bearish tinge to the market. The decline is expected to extend in near terms. The prices remain in the range between 410.00 and 415.25 and finally settled at 412.00

#### 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

Filled Open Bozu Candlestick with lower shadow shows reveals bearish sentiment into the market. Stochastic made bearish cross over indicating bearish sentiments likely to continue. The 9 day and 18 day EMA also indicating bearish sentiments. MACD made bearish cross over. Volume increased while open interest decline marginally.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	413.0	415.7	412.0	422.2	425.0

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:  
**Sell** near 420.40; T1 418.30, and put stop loss at 421.50.

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

Centres	5.10.06	4.10.06	Change
Mumbai (Soy Ref oil)+VAT	412	412	0
Indore (Soy Ref oil)+VAT	406	408	-2
Kota (Soy Ref. Oil)+VAT	403	406	-3
Hyderabad (Soy Ref)+VAT	432	435	-3
Rajkot (Soy Ref)+Tax	403	403	0

## PALM OIL

### International Highlights

#### BMD Futures Settled High on Rising Crude

Crude palm oil futures on the BMD approached high on Thursday, gaining momentum from latest leakage and spaced its price to recover in crude oil. The most active December contract ended at MYR1,537 a metric ton, up MYR14 from Wednesday after oscillating between MYR1,530 and MYR1,543/ton. With the rising crude prices, palm oil futures followed closely on concern of bio-diesel. The market still lack direction and waiting for the data to be released on 10th of October and likely to follow the crude oil prices in near terms.

### Domestic Spot Market Highlights

The prices of palm oil remains steady to weak in different centres on low demand combined with expected high arrival of imported oil. In domestic market palm oil facing the weak to stagnant sentiments nationwide and followed the more or less previous records.

#### BMD: CPO Futures (5.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1497	1510	1510	1510	1510	+13	70
Nov 06	1516	1524	1532	1524	1528	+12	1087
Dec 06	1523	1530	1543	1530	1537	+14	4321
Jan 07	1533	1540	1553	1540	1547	+14	1139
Feb 07	1541	1550	1561	1550	1557	+16	153

\*BMD Remains Closed on Saturday and Sunday

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	5.10.06	4.10.06	Change
Kandla CPO (5 % FFA)	377	378	-1
Kandla RBD Palmolein +VAT	404	405	-1
Mumbai RBD Palmolein +VAT	410	410	0
Chennai RBD Palmolein +VAT	NA	430	-
Kakinada RBD Palmolein +VAT	403	404	-1
Hyderabad RBD Palmolein +VAT	418	418	0
Delhi RDB Palmolein	450	450	0

#### Rape/Mustard oil

NAFED is completely dominating the current trends in Mustard oil. Further drop in selling price of old stock and constant prices of new stock stalled mustard price at range bound price. Weaker trends in sentiment seen in centres across nation. Few of them feel marginally relief while other follows the weaker sentiments. There is expected rise in future is only an interesting emotion among traders.

#### Groundnut Refine Oil

Spot price of Groundnut showed the mixed sentiments different centres. Late crushing in few centres strengthens its price while other centres feels the lower demand keeps the price down. The demand for seeds weaken in the spot market on low export demand and traders are waiting expecting rise suppose to hit the market in near terms.

#### Sunflower Refine Oil

There is stagnant condition in demand seems to prevails in sunflower oil keeping the price range bound in most of centres. However it influx in market is coming from few locations also impacting the demand and supply scenario. There is also mixed sentiment seems to influencing the market and further rise on the mercy of other oil's future.

#### Cotton Refine Oil

There is stagnant demand over different centre enervated any possible movement in prices in cotton oil price. However a centre brings positive change in price and rest of centre either range bound or with weaker sentiments. Cotton oil also expected to follows the trends by other veg oil.

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

Centres	5.10.06	4.10.06	Change
Mumbai (Exp. Oil) +VAT	414	416	-2
Kota (Expeller Oil)+VAT	382	385	-3
Jaipur (Expeller Oil)+VAT	385	387	-2
Delhi (Expeller Oil)	409	410	-1
Neewai (Expeller Oil) +VAT	382	385	-3

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

Centres	5.10.06	4.10.06	Change
Mumbai +VAT	565	560	+5
Rajkot +VAT	560	555	+5
Andhra Region +VAT	595	595	0
Chennai +VAT	560	570	-10
Delhi	530	540	-10

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

Markets	5.10.06	4.10.06	Change
Mumbai +VAT	507	507	0
Chennai +VAT	515	520	-5
Hyderabad VAT	500	500	0

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

Markets	5.10.06	4.10.06	Change
Mumbai +VAT	442	442	0
Hyderabad +VAT	435	438	-3
Rajkot + VAT	440	437	+3
Delhi	420	420	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	MMM Kingston	6000	CPO	Expected
	Holly Galaxy	18250	CPO	Arrived
	Global Union	5300	Palm Oil	Expected
	Al Rafel	4000	SBO	Expected
	Pacific Sound	8808	Palm Oil	Arrived
	Shimakaze	12750	CPO	Arrived
	WS Enterprises	13000	SBO	Expected
	Gagasen Melaka	7000	CPO	Expected
Kolkata	Laju Sejahtera	4500	CPO	Arrived
	Matina	11747	CPO	Arrived
	Olympic	2229	CPO	Expected
	Khadijah	6300	CPO	Arrived
Kakinada	Nikos A	7000	SBO	Expected
Chennai	Spring Wind	7300	Palm Oil	Expected
	Bow Maastard	7600	SBO	Arrived
	Lion Ping Hu	3000	Palm Oil	Expected
New Mangalore	Vernal Grace	6000	CPO	Expected
Tuticorin Port	Spring Glory	7250	Palm Oil	Arrived
	Khadijah	6300	CPO	Arrived
Mumbai	Shimakaze	4000	CPO	Expected
	Madura	13775	CPO	Arrived
Mundra	Golden Far East	4500	SBO	Expected

**Forex Rates**

(As on 5.10.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.71
European Union	Euro	58.10
Japan	100 Yen	38.84
United Kingdom	Pound Sterling	86.22