

VEGOIL DAILY

October 7, 2006

REFINE SOY OIL

SPOT MARKETS

Domestic market followed the bearish trends in overseas market. CBOT choppy sentiment over the day length and positive changes at end of day and USAD forecast over the soy oil sparked follow-through sentiments kept domestic market range bound. Some improvement in the Hyderabad spot market seen on buying on limited stock position and keeping the Dipawali festival. The prices in the overseas market rise on over BMD crude oil prices and traders are waiting for optimum time to place import order. The market just few days in waiting for Dipawali and will follow the micro developments in the international market. Arrival of new stock of soybean further added to its bearish tone. The CIF rate for refined soy oil for September-January shipment witnessed rise to \$580 on Friday.

FUTURES MARKETS:

The refined soy futures at NCDEX October contract opened weak at 415.90 and traded choppy for an hour. The prices then flared up on strong speculative buying up to the mid session on the concern of low prevailing prices at the futures market. The sentiments remain at its higher level for most of the trading time as it got strong support from overseas market. Bullish USDA export data and firm closing at BMD provided additional support to the futures market. The sentiments expected to improve in near terms as per traders. The prices remain in the range between 415.35 and 419.00 and finally settled at 418.50

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

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

Centres	6.10.06	5.10.06	Change
Mumbai (Soy Ref oil)+VAT	411	412	-1
Indore (Soy Ref oil)+VAT	402	406	-4
Kota (Soy Ref. Oil)+VAT	402	403	-1
Hyderabad (Soy Ref)+VAT	435	432	+3
Rajkot (Soy Ref)+Tax	401	403	-2

TECHNICALS

Long body candlestick with short lower and upper shadow indicates strong bullish sentiments into the market. Stochastic after making bearish cross over is declining indicating weakness. The closed below 9 day and 18 day EMA. MACD is converging up therefore making room for any further improvement. Volume increased slightly while OI decline marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	416.8	414.7	418.5.0	422.3	425.1

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TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:

Buy above 418.60; T1 420.50, and put stop loss at 417.00.

PALM OIL

International Highlights

BMD Futures Rises On Improved Crude

Crude palm oil futures on the BMD showed choppy trading on Friday. The most active contract ended at MYR 1,542 a metric ton, up MYR5 from previous day. CPO future open high in and oscillating between positive and negative through the day length day. This close oscillate was the concerning factor over this week. Until fresh data over supply and demand release, the more or less same trends seems to dominating the CPO futures in the next week. RBD palm olein was ended offered with October at \$445.00/ton, November/December at \$447.50/ton and January/February/March at \$457.50/ton.

Domestic Spot Market Highlights

The prices of palm oil showed the little improvement in overseas Market and impacting the domestic market to rise to range bound position. However mixed sentiments found in most of the centres.

BMD: CPO Futures (5.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1509	1506	1513	1501	1513	+4	113
Nov 06	1528	1532	1535	1520	1531	+3	703
Dec 06	1537	1540	1545	1528	1542	+5	4359
Jan 07	1547	1553	1554	1539	1547	0	972
Feb 07	1557	1554	1562	1549	1558	+1	297

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	6.10.06	5.10.06	Change
Kandla CPO (5 % FFA)	377	377	0
Kandla RBD Palmolein +VAT	404	404	0
Mumbai RBD Palmolein +VAT	410	410	0
Chennai RBD Palmolein +VAT	420	NA	-
Kakinada RBD Palmolein +VAT	405	403	+2
Hyderabad RBD Palmolein +VAT	420	418	+2
Delhi RDB Palmolein	445	450	-5

Rape/Mustard oil

Mustard oil is less likely to followed the current demand scenario rather it influenced mainly by sufficient release by NAFED in market quoted at 1495 per quintal for old stock while 1590 per quintal for new stock. Traders expected improvement in demand is likely to hit market in waiting festival days.

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

Centres	6.10.06	5.10.06	Change
Mumbai (Exp. Oil) +VAT	414	414	0
Kota (Expeller Oil)+VAT	383	382	+1
Jaipur (Expeller Oil)+VAT	385	385	0
Delhi (Expeller Oil)	409	409	0
Neewai (Expeller Oil) +VAT	383	382	+1

Groundnut Refine Oil

Spot price of Groundnut strongly followed the sentiments of other vegetable oil. Groundnut demand improved in many centres along with late crushing boosted up its prices in these centre while weaker demand in other kept it price range bound. There is little moment in demand is expected in up coming festival days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	6.10.06	5.10.06	Change
Mumbai +VAT	565	565	0
Rajkot +VAT	565	560	+5
Andhra Region +VAT	600	595	+5
Chennai +VAT	565	560	+5
Delhi	530	530	0

Sunflower Refine Oil

When most of veg oil showed the positive changes, sunflower oil firmed to range bound price mainly due to proper supply in market able to meet the bare demand. The CIF rate for refined sunflower oil for September-January shipment repeated to \$623 on Friday. The prices are likely to follow the changes in overseas market and movement in the crude oil prices.

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

Markets	6.10.06	5.10.06	Change
Mumbai +VAT	507	507	0
Chennai +VAT	515	515	0
Hyderabad VAT	500	500	0

Cotton Refine Oil

Many centres offered the mixed sentiments in Cotton oil trading nationwide. Few of them resisted the expected changes on demand having good stock position, while others improve a little. Market will continue to follow more or less same trends near terms.

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

Markets	6.10.06	5.10.06	Change
Mumbai +VAT	442	442	0
Hyderabad +VAT	438	435	+3
Rajkot + VAT	441	440	+1
Delhi	420	420	0

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 6.10.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.61
European Union	Euro	57.85
Japan	100 Yen	38.63
United Kingdom	Pound Sterling	84.54