

VEGOIL DAILY

October 9, 2006

REFINE SOY OIL

SPOT MARKETS

Due to Saturday, international market remains closed and domestic market lacks the direction, however in the absence of overseas market, most of the centres experienced improvement owing to firmness in the futures market on Friday. Improvement in the spot is also due to bullish export sales data released on Thursday, which had bullish impact on CBOT. This would result into slightly increase in the refined soy oil prices. Market still in wait and watch situation and expecting to follow the development in overseas market on Monday. Only Hyderabad centre managed to meet the bare demand from Market and range bound condition experienced. The CIF rate for refined soy oil for September-January shipment witnessed further advance to \$582 on Saturday.

FUTURES MARKETS:

The refined soy futures at NCDEX October contract opened firm at 420.20 and traded firm initially for an hour of trading. The prices then remain range bound with bearish note for most of the time and witnessed choppy trading for the day. The sentiments remain indecisive for the day of trading as the market lacks guidance on closure of overseas market. The sentiments expected to influence by the developments on overseas market. The prices remain in the range between 419.40 and 420.95 and finally settled at 419.70.

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

Small body candlestick with upper and lower shadow indicates indecisiveness into the market. Stochastic continues to remain bearish and heading southwards with wide divergence. The prices closed below 9 day and 18 day EMA indicating weakness. MACD made bullish crossover indicating improvement. Volume declined while OI decline marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX October	413.5	415.3	419.7	421.4	423.3

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:

Sell Below 419.70; T1 417.00, and put stop loss at 421.00.

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

Centres	7.10.06	6.10.06	Change
Mumbai (Soy Ref oil)+VAT	412	411	+1
Indore (Soy Ref oil)+VAT	406	402	+4
Kota (Soy Ref. Oil)+VAT	407	402	+5
Hyderabad (Soy Ref)+VAT	435	435	0
Rajkot (Soy Ref)+Tax	402	401	+1

PALM OIL

International Highlights

Market will remained Closed on Saturday and Sunday.

Domestic Spot Market Highlights

The prices of palm oil showed the bullish tone to range bound condition in domestic Market. Under the lack of direction by International market, which remained closed on Saturday, little improvement in demand is found in few centres.

BMD: CPO Futures (7.10.2006)

(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	7.10.06	6.10.06	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	421	420	+1
Kakinada RBD Palmolein +VAT	403	405	-2
Hyderabad RBD Palmolein +VAT	425	420	+5
Delhi RDB Palmolein	445	445	0

Rape/Mustard oil

Mixed reaction is found in domestic market on Saturday. Improved arrival ahead in market keeping check over price and only slightly movement is noticed. Friday's mixed sentiments prevailed in few centres and witnessed repeated condition over past prices. Traders are expecting positive market on Monday.

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

Centres	7.10.06	6.10.06	Change
Mumbai (Exp. Oil) +VAT	412	414	-2
Kota (Expeller Oil)+VAT	385	383	+3
Jaipur (Expeller Oil)+VAT	388	385	+3
Delhi (Expeller Oil)	408	409	-1
Neewai (Expeller Oil) +VAT	384	383	+1

Groundnut Refine Oil

Groundnut witnessed the weaker demand in many centres nationwide. However little improvement in arrival added further weakness in price and groundnut oil experienced bearishness in these centres. Market in wait and watch situation and looking forward to some positive changes in near terms.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	7.10.06	6.10.06	Change
Mumbai +VAT	565	565	0
Rajkot +VAT	560	565	-5
Andhra Region +VAT	595	600	-5
Chennai +VAT	556	565	-9
Delhi	530	530	0

Sunflower Refine Oil

The mixed sentiments seen in most of veg oil and Sunflower oil experienced the range bound condition, however significant change in CIF rate for same failed to excite the floored demand explained above condition. The CIF rate for refined sunflower oil for September-January shipment rise to \$628 on Saturday. The prices are likely to follow the changes in overseas market.

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

Markets	7.10.06	6.10.06	Change
Mumbai +VAT	507	507	0
Chennai +VAT	515	515	0
Hyderabad VAT	500	500	0

Cotton Refine Oil

Cotton refined oil gained some momentum in demand nationwide and advanced its price experience to rise slightly. Market will get some direction on Monday in response to overseas Market.

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

Markets	7.10.06	6.10.06	Change
Mumbai +VAT	442	442	0
Hyderabad +VAT	440	438	+2
Rajkot + VAT	444	441	+3
Delhi	422	420	+2

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 7.10.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.61
European Union	Euro	57.47
Japan	100 Yen	38.32
United Kingdom	Pound Sterling	85.34