

## VEGOIL DAILY

October 31, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Sentiments remained mixed in soy refined oil spot markets on Monday. Soybean arrival improved in major growing areas but equally aggressive buying helped offsetting supply. Supply still remained short in some areas of Maharashtra, where capable farmers are holding soy back and selling urad for their cash needs. Price for Urad is lucrative. Arrival is likely to get some acceleration in coming days. Weather is suitable for fieldwork. Firmness in international market along with gains in crude oil prices at NYMEX provided some strength. The CIF rate for refined soy oil for September-January shipment was quoted at \$628 on Monday.

#### FUTURES MARKETS:

Soy oil futures at the NCDEX traded downwards initially following a weak opening. However, increased buying interest at lower levels recovered the futures and traded upwards thereafter. Good demand amidst steady arrivals at spot is also underpinning the tone. Finally the futures settled at green with some gains. The bullish sentiment at spot market is also underpinning the tone. The November contract settled up Rs.0.85 at Rs.433 and hovered within the range of Rs.430.60-434.35.

#### PRICE DRIVERS:

##### **Bullish:**

1. Higher demand for SBM
2. Firm tone is overseas market.

##### **Bearish:**

1. Increasing Arrival Pressure
2. Harvesting in Progress

#### Weather

Weather looks favourable fieldwork for soybean harvest.

#### TECHNICALS

The candlestick is showing some bullish sentiment. Buyers mainly dominated the market. Stochastic is in overbought region and moving upwards but indicates technical reversal near. The prices closed much above 9 day and 18 day EMA, indicates bullish market. MACD is in positive territory and moving upwards indicating positive tone at medium term. Overall picture is indicating firm tone.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	427.0	430.0	433.0	436.0	440.0

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

**Buy** Above 432.00; T1 434.50, T2 436.00 and put stop loss at 430.70.

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

Centres	30.10.06	28.10.06	Change
Mumbai (Soy Ref oil)+VAT	Closed	417	-
Indore (Soy Ref oil)+VAT	408	408	0
Kota (Soy Ref. Oil)+VAT	NA	413	-
Hyderabad (Soy Ref)+VAT	436	437	-1
Rajkot (Soy Ref)+Tax	413	411	+2

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures End High

The most active contract of crude palm oil of January 07 settled up MYR18 at MYR1,698 per ton. Expectation of high export sales estimation to be released by SGS cargo for the period of October 1-31 kept bulls in high spirit. Production during October month is expected low. So low production coupled with good export will result in depleting stock. Additional support came from strong closing soy oil futures on CBOT last weekend.

### Domestic Spot Market Highlights

Palm oil price is rising on the back of firmness in overseas market. Increasing demand in domestic market has helped in improving its prices. Increasing landing cost of imported palm oil keeps the market up in the spot market. Demand for the same remained good from Vanaspati industry.

#### BMD: CPO Futures (30.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1625	1630	1653	1630	1651	+26	474
Dec.06	1656	1666	1686	1661	1676	+20	4106
Jan.07	1680	1691	1714	1685	1698	+18	14601
Feb.07	1694	1705	1729	1698	1712	+18	6929
Mar.07	1704	1720	1738	1708	1738	+34	519

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	30.10.06	28.10.06	Change
Kandla CPO (5 % FFA)	390	388	+2
Kandla RBD Palmolein +VAT	407	407	0
Mumbai RBD Palmolein +VAT	Closed	418	-
Chennai RBD Palmolein +VAT	440	440	0
Kakinada RBD Palmolein +VAT	420	418	+2
Hyderabad RBD Palmolein +VAT	450	445	+5
Delhi RDB Palmolein	NA	445	-

#### Rape/Mustard oil

Sentiments remained firm for mustard oil prices in the spot market. Buying of mustard seed remained strong. There was no change in MSP (Minimum Support Price) of mustard seed, which was considered as another bullish item. Nafed also raised its mustard seed prices, which had additional bullish impact in the market. Price will likely to improve further in near terms.

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

Centres	30.10.06	28.10.06	Change
Mumbai (Exp. Oil) +VAT	Closed	420	-
Kota (Expeller Oil)+VAT	397	395	+2
Jaipur (Expeller Oil)+VAT	402	398	+4
Delhi (Expeller Oil)	NA	420	-
Neewai (Expeller Oil) +VAT	405	400	+5

#### Groundnut Refine Oil

Good demand of groundnut refined oil prevailed in the spot markets. Arrivals of groundnut seed are increasing in major producing areas. Millers are major buyers, as have been getting good demand for meal from exporters. Weather is suitable for harvesting and high arrivals are expected by traders in coming days.

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

Centres	30.10.06	28.10.06	Change
Mumbai +VAT	Closed	535	-
Rajkot +VAT	520	510	+10
Andhra Region +VAT	590	585	+5
Chennai +VAT	560	560	0
Delhi	NA	507	-

#### Sunflower Refine Oil

Low arrival of sunflower reported in major centres. Upward trend in others vegetable oil also was taken supportive factor. Firm demand provided further strength. The CIF price of refined sunflower oil for September-January shipment remained unchanged at \$ 643 on Monday.

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

Markets	30.10.06	28.10.06	Change
Mumbai +VAT	Closed	505	-
Chennai +VAT	535	530	+5
Hyderabad VAT	530	525	+5

#### Cotton Refine Oil

Arrival of cottonseed remained steady but little improvement in demand helped in little gains in its prices in spot markets. The positive tone in other edible oil supported cotton refined oil prices. Traders are expecting increase in arrival in coming days.

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

Markets	30.10.06	28.10.06	Change
Mumbai +VAT	Closed	425	-
Hyderabad +VAT	440	440	0
Rajkot + VAT	427	420	+7
Delhi	NA	412	-

#### Forex Rates

(As on 30.10.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.09
European Union	Euro	57.32
Japan	100 Yen	38.38
United Kingdom	Pound Sterling	85.54

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	NCC Jubail	8,000	CPO	Arrived
	Star Dream	6,000	CPO	Arrived
	Golden Charlotte	11,000	CPO	Arrived
	Global Union	5,300	Palm Oil	Arrived
Kolkata	Vernal Grace	6,000	CPO	Arrived
	Laju Sejahtera	5,000	CPO	Expected
	Matina	5,500	CPO	Expected
	Marida Prince	6,000	CPO	Arrived
Chennai	Spring Wind	7,257	Palm Oil	Expected
	Southern Unicorn	6,000	CPO	Expected
New Mangalore	Stolt Alliance	4,000	CPO	Expected
Tamil Nadu	Global Eros	10,800	Palm Oil	Expected
	Khadijah	6,250	Palm oil	Expected

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