

VEGOIL DAILY

October 12, 2006

REFINE SOY OIL

SPOT MARKETS

The recent development in overseas market i.e. fall short of expectation of crude palm oil export data on BMD futures and low soy oil futures on CBOT with other variables like steady NYMEX futures unable to boost any significant change in bio diesel demand in overseas market dropped down Soy oil demand and witnessed fall of soy oil prices. In addition of above factors CIF Prices also down provided further to weakness to its prices. In domestic market soybean influx has increased from all the side in many major producing states, tasted high arrival but some demand for local market provided underlying support to its prices not to fall more downside. In this present scenario, traders are storing enough quantity of oil that able to meet the bare demand from market, The CIF rate for refined soy oil falls and September-January shipment followed at \$586 on Wednesday.

FUTURES MARKETS:

The refined soy futures at NCDEX November contract opened weak at 413.40 pressurized by the weak overseas market. The sentiments increased initially for an hour on expectation of possible rise in crude oil prices but sharp decline could be noticed later on. Sharp break in BMD futures combines with the idea of adequate stock pilling by the stockists further added to its bearish tone. Improvement could be noticed in later part of the trading session on short covering. The prices moved in the range between 413.10 and 415.80 and finally settled at 413.85

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 for good harvesting.

TECHNICALS

Filled candlestick with small upper and lower shadow indicate some indecisiveness into the market with bearish sentiment. Stochastic continue to head towards northwards indicating firmness. The prices closed below 9 day and 18 day EM indicating weak market sentiments. MACD curving down indicating weakness. Volume increased marginally and remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	408.0	410.0	413.85	416.0	418.6

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Sell Below 414.60; T1 412.00, and put stop loss at 415.70.

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

Centres	11.10.06	10.10.06	Change
Mumbai (Soy Ref oil)+VAT	412	412	0
Indore (Soy Ref oil)+VAT	407	408	-1
Kota (Soy Ref. Oil)+VAT	404	405	-1
Hyderabad (Soy Ref)+VAT	435	437	-2
Rajkot (Soy Ref)+Tax	398	400	-2

PALM OIL

International Highlights

BMD Futures Jolt on Wednesday

The demand and supply data provided by SGS Cargo was as per expectation jolted BMD futures on Wednesday. Palm oil stocks are high and expecting to move up further at the end of month provided bearish impact on future. However, excess supply provided underlying support market not to fall more downside. The most active contract for December ended at MYR1,553 down from MYR1,558 by MYR5.

Domestic Spot Market Highlights

On Wednesday, Palm oil futures revert the expectation of high futures on BMD. Domestic market strongly followed the development in overseas Market and displayed weak trends in prices on most of centres.

BMD: CPO Futures (11.10.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1528	1520	1520	1510	1520	-8	288
Nov 06	1548	1534	1543	1528	1538	-10	3219
Dec 06	1565	1547	1558	1543	1553	-12	6704
Jan 07	1571	1559	1572	1555	1565	-6	3785
Feb 07	1591	1575	1580	1565	1571	-20	264

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	11.10.06	10.10.06	Change
Kandla CPO (5 % FFA)	379	380	-1
Kandla RBD Palmolein +VAT	404	404	0
Mumbai RBD Palmolein +VAT	411	411	0
Chennai RBD Palmolein +VAT	425	427	-2
Kakinada RBD Palmolein +VAT	405	408	-3
Hyderabad RBD Palmolein +VAT	425	420	+5
Delhi RDB Palmolein	438	440	-2

Rape/Mustard oil

It was an average day for mustard oil. Its demand remained weak from consumer side as with other veg oil and followed down trends in prices as well as NAFED pressure continued to rule and sold Mustard seed at Rs. 1495 per quintal for old stock and Rs. 1590 per quintal for new stock preventing Market to volatile. According to traders its good demand will resume to high level in coming days.

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

Centres	11.10.06	10.10.06	Change
Mumbai (Exp. Oil) +VAT	411	411	0
Kota (Expeller Oil)+VAT	382	385	-3
Jaipur (Expeller Oil)+VAT	382	387	-5
Delhi (Expeller Oil)	409	412	-3
Neewai (Expeller Oil) +VAT	384	384	0

Groundnut Refine Oil

Mixed sentiments over groundnut ref oil's demand found in most of centres nationwide. In few centres its prices some how combat weak demand whereas in others high arrival pressurising its price to dropped down. Traders are expecting the underlying support of festival days will raise demand up.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	11.10.06	10.10.06	Change
Mumbai +VAT	565	565	0
Rajkot +VAT	540	545	-5
Andhra Region +VAT	595	590	+5
Chennai +VAT	570	562	+8
Delhi	523	525	-2

Sunflower Refine Oil

The gain in CIF prices for refined sunflower oil for September-January shipment to \$ 626 on Wednesday supported it to manage asked demand in the market. However, demand is low and arrival pressure is also flourishing but rise in CIF price held it at last price. There is some gain in demand is expected to expose in Dipawali days.

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

Markets	11.10.06	10.10.06	Change
Mumbai +VAT	507	507	0
Chennai +VAT	522	522	0
Hyderabad VAT	510	510	0

Cotton Refine Oil

Cotton Refine oil replication the trends in other veg oil. BMD future ended weak and low demand in domestic Market further helped to dropped down its prices nationwide. It due demand of likely to come up in near terms.

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

Markets	11.10.06	10.10.06	Change
Mumbai +VAT	442	442	0
Hyderabad +VAT	435	440	-5
Rajkot + VAT	423	432	-9
Delhi	418	420	-2

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Eos	6,,500	CPO	Arrived
	Global Union	5,300	Palm Oil	Expected
	Akti N	20,000	SBO	Expected
	Shimakaze	12,750	CPO	Arrived
	Active	7,573	SBO	Arrived
Kolkata	Laju Sejahtera	4,500	CPO	Arrived
	Matina	11,747	CPO	Arrived
	Olympic	2,229	CPO	Arrived
	Southern York	6,000	CPO	Arrived
Kakinada	Thressa II	10,000	CPO	Arrived
Chennai	Filma Satu	6,100	Palm Oil	Expected
New Mangalore	Oak Princes	6,000	CPO	Expected
Cochin	Star Dream	3,000	Palm Oil	Arrived

Forex Rates**(As on 11.10.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.76
European Union	Euro	57.38
Japan	100 Yen	38.24
United Kingdom	Pound Sterling	84.82