

VEGOIL DAILY

October 16, 2006

REFINE SOY OIL

SPOT MARKETS

Increase of export sale on soy oil futures at CBOT and closure of BMD futures on Saturday guided domestic market to bullish tone. The rise in of crude oil price futures on NYMEX helped to boost up biodiesel demand in overseas market. These influencing factors added with low crushing of soybean seed in presence of high moisture content dampen miller emotions and respite domestic market from recent losses. As well as some improvement in demand seen from consumer side and positive cutting at NBOT futures provides underlying support to boost up its prices. The CIF rate for refined soy oil for September-January shipment remains unchanged at \$593 on Saturday.

FUTURES MARKETS:

The refined soy futures at NCDEX November contract opened firm at 417.90 and maintains its previous rally and gain strength from the firmness in CBOT overnight. Overnight firmness in the crude oil prices further provided additional support to the market. Decline during end of the trading session could be due to short covering and profit booking. The prices moved in the range between 417.70 and 420.85 and finally settled at 419.35

PRICE DRIVERS:

Bullish:

1. Low crop forecast in advance estimates
2. Increase 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

Long body un-filled candlestick with upper long shade indicates bullish market sentiments. Stochastic continue improve indicating bullish sentiments likely to continue in ne terms. The prices closed above 9 day and 18 day EM indicating improvement in the market sentiments. MACD moving upward with wide divergence indicating firm sentiment. Volume decline slightly and OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	416.4	418.4	419.35	425.0	427.1

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Buy above 420.30; T1 423.00, and put stop loss at 419.00

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

Centres	14.10.06	13.10.06	Change
Mumbai (Soy Ref oil)+VAT	410	409	+1
Indore (Soy Ref oil)+VAT	409	404	+5
Kota (Soy Ref. Oil)+VAT	407	404	+3
Hyderabad (Soy Ref)+VAT	433	434	-1
Rajkot (Soy Ref)+Tax	398	398	0

PALM OIL

International Highlights

BMD futures remains closed on Saturday.

Domestic Spot Market Highlights

On closure of BMD futures, palm oil lack proper direction and remain range bound in most of places. Some improvement in crude oil futures helped market to gain some access at few locations. Local demand also not much change from previous condition and stabilized its prices to yesterday record.

BMD: CPO Futures (13.10.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1530	0	1530	0	1530	0	0
Nov 06	1548	1551	1563	1551	1557	+9	788
Dec 06	1560	1570	1582	1567	1576	+16	3985
Jan 07	1575	1582	1595	1580	1591	+16	1787
Feb 07	1587	1595	1603	1590	1599	+12	204

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.10.06	13.10.06	Change
Kandla CPO (5 % FFA)	380	378	+2
Kandla RBD Palmolein +VAT	403	403	0
Mumbai RBD Palmolein +VAT	411	411	0
Chennai RBD Palmolein +VAT	437	430	+7
Kakinada RBD Palmolein +VAT	405	405	0
Hyderabad RBD Palmolein +VAT	420	420	0
Delhi RDB Palmolein	440	440	0

Rape/Mustard oil

Switching on demand from consumer side to other veg oil with to complete buffer stock, mustard tasted high selling prices on weekend and bring some relief among traders and they expecting same trend will prevails in approaching festival days.

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

Centres	14.10.06	13.10.06	Change
Mumbai (Exp. Oil) +VAT	410	410	0
Kota (Expeller Oil)+VAT	385	382	+3
Jaipur (Expeller Oil)+VAT	388	382	+6
Delhi (Expeller Oil)	415	410	+5
Neewai (Expeller Oil) +VAT	386	383	+3

Groundnut Refine Oil

Heavy arrival pressure and less numbers buyers dampens groundnut refined oil prices in most of centres. Less mills in operation for crushing and weak selling pressure helped its prices to range bound in Rajkot. There is upcoming demand likely to expose in festival days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	14.10.06	13.10.06	Change
Mumbai +VAT	555	565	-10
Rajkot +VAT	525	525	0
Andhra Region +VAT	585	590	-5
Chennai +VAT	555	570	-15
Delhi	500	525	-25

Sunflower Refine Oil

Low arrival pressure in few locations boost up sunflower refined oil price there, while in Chennai it witnessed poor demand from consumer side and further lower in CIF prices declined its prices whereas in Mumbai enough supply is ready to meet demand kept its price range bound. The CIF price of refined sunflower oil for September-January shipment declined at \$ 626 on Saturday. Some improvement in demand likely to prominent in near terms at per traders emotions.

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

Markets	14.10.06	13.10.06	Change
Mumbai +VAT	507	507	0
Chennai +VAT	522	525	-3
Hyderabad VAT	515	510	+5

Cotton Refine Oil

However, switching off demand in Cotton refined oil to other veg oil impacting bearish tone nationwide but at few places ready to meet demand remains prices at range bound to slightly up. The restoration of demand on track is likely to happen in upcoming days.

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

Markets	14.10.06	13.10.06	Change
Mumbai +VAT	425	430	-5
Hyderabad +VAT	430	435	-5
Rajkot + VAT	419	418	+1
Delhi	415	415	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Kuarvan	2,000	Palm Oil	Expected
	Global Union	5,300	Palm Oil	Expected
	WS Enterprise	13,000	SBO	Arrived
	Akti N	20,000	SBO	Arrived
	MMM Galvestone	2,500	CPO	Arrived
	Chemroad Vega	10,000	CPO	Expected
	Smho Heron	3,000	CPO	Expected
Kolkata	Global Pallas	5,000	CPO	Arrived
	Southern York	6,000	CPO	Arrived
	Bow Maastard	18,056	CPO	Arrived
Mumbal	Havi Ocean	7,205	CPO	Expected
	Chemroad Vega	6,500	CPO	Expected
Chennai	Filma Satu	6,100	Palm Oil	Expected
New Mangalore	Oak Princes	6,000	CPO	Expected

Forex Rates**(As on 14.10.2006)**

Country/ Continent	Currency	Value In Rupees
USA	Dollar	45.49
European Union	Euro	56.92
Japan	100 Yen	38.04
United Kingdom	Pound Sterling	84.41