

VEGOIL DAILY

October 11, 2006

REFINE SOY OIL

SPOT MARKETS

The recent development in overseas market on BMD futures and CBOT on Tuesday helped Soy oil price to rise nation wide. The temporary firmness by above further added by steep rise in CIF and FOB price of crude palm oil helped market to recover. However some demand asked from consumer side seems to overpowered by festival days brought some relief from recent losses. Although, arrival pressure is not high and it available in sufficient quantity in major growing states for crushing that provided more space to weaken its price but cushion provided by rise in CPO prices and local demand. Traders are expecting further demand up in most awaiting festival days. The CIF rate for refined soy oil exhibited steep rise and September-January shipment followed at \$590 on Tuesday.

FUTURES MARKETS:

The refined soy futures at NCDEX November contract opened firm at 416.65 and traded with positive sentiments closely following the developments into the international market. Some decline could be seen near noon as the crude started to decline. The sentiments again improved following the improvement in crude oil and BMD futures. Some decline could be noticed at the time of closing on short covering and profit booking. The prices moved in the range between 415.40 and 417.65 and finally settled at 416.70.

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 some what spindle top formation indicates lack of proper direction with slight bullish tinge. Stochastic indicating improvement as divergence is increasing between %D and %K line after bullish cross over. The prices closed between 9 day and 18 day EMA indicating indecisive market sentiments. MACD after making bullish crossover heading northwards with increasing divergence indicating firmness. Volume and OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	411.1	414.1	416.7	421.8	423.3

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Buy Near 416.10; **T1** Near 418.40, and put stop loss at 415.00.

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

Centres	10.10.06	9.10.06	Change
Mumbai (Soy Ref oil)+VAT	412	411	+1
Indore (Soy Ref oil)+VAT	408	406	+2
Kota (Soy Ref. Oil)+VAT	405	403	+2
Hyderabad (Soy Ref)+VAT	437	433	+2
Rajkot (Soy Ref)+Tax	400	400	0

PALM OIL

International Highlights

BMD Futures Ended High on Tuesday

On Tuesday, BMD futures ended slightly high sensing the Malaysian Palm Oil Export figure expected to high on Wednesday. The most active contract of December ended high at MYR1, 558 a metric ton, up MYR4 on Monday. The high soy oil futures also helped market to rise in addition to expectation of strong Palm oil Export figures. The CBOT further provided spaced to rise along with strong selling pressure on BMD futures.

Domestic Spot Market Highlights

On Tuesday, Palm oil followed the development in BMD future as well as some demand also seen strengthen it price in domestic market. The FOB price of CPO also increased supported price to rise.

BMD: CPO Futures (10.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Oct 06	1520	1528	1530	1517	1528	+8	397
Nov 06	1540	1549	1555	1544	1545	+5	913
Dec 06	1554	1564	1569	1558	1558	+4	6067
Jan 07	1565	1577	1584	1570	1571	+6	3926
Feb 07	1574	1582	1592	1580	1591	+17	483

*BMD Remains Closed on Saturday and Sunday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	10.10.06	9.10.06	Change
Kandla CPO (5 % FFA)	380	379	+1
Kandla RBD Palmolein +VAT	404	404	0
Mumbai RBD Palmolein +VAT	411	410	+1
Chennai RBD Palmolein +VAT	427	422	+5
Kakinada RBD Palmolein +VAT	408	404	+4
Hyderabad RBD Palmolein +VAT	420	430	-10
Delhi RDB Palmolein	440	440	0

Rape/Mustard oil

Most of the centres taste positive changes in Mustard oil. Still sufficient release by NAFED pressuring more input in market to avoid volatility. Weakness from consumers demand seems to rule its prices at range bound level in near terms.

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

Centres	10.10.06	9.10.06	Change
Mumbai (Exp. Oil) +VAT	411	412	-1
Kota (Expeller Oil)+VAT	385	382	+3
Jaipur (Expeller Oil)+VAT	387	385	+2
Delhi (Expeller Oil)	412	410	+2
Neewai (Expeller Oil) +VAT	584	NA	-

Groundnut Refine Oil

Mixed sentiment is seen in most of centres in domestic market. According to traders late crushing allowed low influx in market able to meet weak demand condition. The dormant demand seems to expose in forcoming festival days likely to bring some cheers among traders.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	10.10.06	9.10.06	Change
Mumbai +VAT	565	565	0
Rajkot +VAT	545	550	-5
Andhra Region +VAT	590	590	0
Chennai +VAT	562	560	+2
Delhi	525	530	-5

Sunflower Refine Oil

Due to low arrival pressure from major growing States helped to stabilizing sunflower oil prices in market. Demand continued to stagnant condition provides some relief to traders. Major arrival pressure would be developed in last week of October until market expected to taste some favour of improve prices. The CIF rate for refined sunflower oil for September-January shipment followed falls to \$621 on Tuesday.

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

Markets	10.10.06	9.10.06	Change
Mumbai +VAT	507	507	0
Chennai +VAT	522	517	+5
Hyderabad VAT	510	505	+5

Cotton Refine Oil

The mixed sentiments of Cotton refined oil found nationwide. The weak arrival pressure in southern part witnessed some improvement whereas poor demand in other centres ruled out any possibility of price movement, however choppy trading seen there negotiated also had some bearish impact on market. Traders are in wait n watch situation over volatile market.

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

Markets	10.10.06	9.10.06	Change
Mumbai +VAT	442	442	0
Hyderabad +VAT	440	435	+5
Rajkot + VAT	432	437	-5
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 10.10.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.74
European Union	Euro	57.65
Japan	100 Yen	38.45
United Kingdom	Pound Sterling	85.49