

VEGOIL DAILY

October 25, 2006

REFINE SOY OIL

SPOT MARKETS

There was no clear advice from overseas markets. Sentiments remained bearish in the spot markets. Traders are expecting increase in soybean arrivals with the opening of markets after long holidays. Weak trend in crude oil at NYMEX had additional bearish impact. Crushers also are not very aggressive due to weak demand of soy oil in the retail markets. Also, sources informed that plants had enough stock of soybean for nearby crushing needs, which they would have covered before festivals.

FUTURES MARKETS:

Soy oil futures at the NCDEX traded downwards initially following a much lower opening. However, some buying support at the lower levels recovered the futures from some of the early losses. The lower demand at the higher price levels coupled with good stocks is also underpinning the sentiments. Most active November contract settled down Rs.2.45 at Rs.421.85 and hovered within the range of Rs.421.05-423.50.

PRICE DRIVERS:

Bullish:

1. Increase in crude oil prices
2. Increasing biodiesel demand

Bearish:

1. Congenial weather situation
2. Increasing Arrival Pressure

Weather

Weather looks favourable for the soybean crop and dry weather is desirable for good harvesting.

TECHNICALS

The doji pattern of candlestick is indicating some indecisive market sentiments. Stochastic is in normal region and moving downwards. The % K line after crossing %D line from the above and moving downwards, hinting some bearish trend. The prices closed above day and 18 day EMA. MACD is in positive territory and moving slightly downward indicating weak tone at medium term. Both Volume as well as OI has decreased. Overall picture is indicating some bearish tone.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	418.0	419.68	421.85	425.28	426.36

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Sell Below 424.00; T1 422.00, T2 421.00 and put stop loss at 425.25.

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

Centres	23.10.06	20.10.06	Change
Mumbai (Soy Ref oil)+VAT	NA	416	-
Indore (Soy Ref oil)+VAT	NA	408	-
Kota (Soy Ref. Oil)+VAT	407	410	-3
Hyderabad (Soy Ref)+VAT	423	425	-2
Rajkot (Soy Ref)+Tax	403	403	0

PALM OIL

International Highlights

BMD futures remained closed in Monday.

Domestic Spot Market Highlights

There was no fresh development in palm oil markets. Prices held steady levels in absence of fresh fundamental news. Demand for same remained weak from vanaspati manufactures, who presumably had covered enough before festivals. The weak spot market price of other veg oil kept the sentiments dull in palm oil market.

BMD: CPO Futures (20.10.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1570	1572	1575	1570	1574	+4	609
Dec.06	1589	1600	1601	1594	1599	+10	771
Jan.07	1610	1620	1623	1617	1623	+13	5658
Feb.07	1624	1634	1638	1630	1638	+14	1249
Mar.07	1636	1643	1648	1643	1648	+12	661

*BMD Remains Closed on Monday

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	23.10.06	20.10.06	Change
Kandla CPO (5 % FFA)	NA	381	-
Kandla RBD Palmolein +VAT	NA	405	-
Mumbai RBD Palmolein +VAT	NA	417	-
Chennai RBD Palmolein +VAT	435	437	-2
Kakinada RBD Palmolein +VAT	408	409	-1
Hyderabad RBD Palmolein +VAT	420	425	-5
Delhi RDB Palmolein	420	425	-5

Rape/Mustard oil

The mustard oil selling pressure is high in most of locations as people might be hurry to empty out their inventories before next year harvest. Stock of rapeseed is good in the producing market as well as with Nafed. Consistent selling by Nafed had kept the stockiest in low spirit. NAFED sold at 1515 per quintal for old stock and 1595 per quintal for last year stock. Majority traders are expecting range-bound trading in near terms.

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

Centres	23.10.06	20.10.06	Change
Mumbai (Exp. Oil) +VAT	NA	417	-
Kota (Expeller Oil)+VAT	388	388	0
Jaipur (Expeller Oil)+VAT	388	388	0
Delhi (Expeller Oil)	414	415	-1
Neewai (Expeller Oil) +VAT	NA	388	-

Groundnut Refine Oil

Groundnut refined oil remained bearish on Monday on weak demand and strong stock position. Arrival of groundnut remained nil due to extended festival mood. Overall fundamental are bearish. Harvesting of groundnut is in its last phase. Weather is favorable for fieldwork in all the producing areas.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	23.10.06	20.10.06	Change
Mumbai +VAT	NA	540	-
Rajkot +VAT	505	505	0
Andhra Region +VAT	581	585	-4
Chennai +VAT	540	550	-10
Delhi	500	510	-10

Sunflower Refine Oil

Prices of sunflower oil firmed up on the back on slight improvement in its demand. Trading activities remains thin due to festival mood. Normal activities are likely to resume shortly. Traders rule out possibility of big jump in its prices due to increase availability of other cheaper alternatives. For example, harvest of cotton is progressing well in most producing areas.

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

Markets	23.10.06	20.10.06	Change
Mumbai +VAT	NA	503	-
Chennai +VAT	522	520	+2
Hyderabad VAT	505	505	0

Cotton Refine Oil

Cotton refined oil more or less followed the same trends in other veg oil. Weak demand prevailed, Stockiest are expecting further ease in its prices with increase in arrivals after reopening of mandis. At few locations strong stock position kept the markets down in dumps. Fall in price is expected in coming days.

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

Markets	23.10.06	20.10.06	Change
Mumbai +VAT	NA	422	-
Hyderabad +VAT	421	425	-4
Rajkot + VAT	413	413	0
Delhi	405	405	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	NCC Jubail	8,000	CPO	Expected
	Star Dream	6,000	CPO	Expected
	Golden Charlotte	11,000	Palm Oil	Expected
	Global Union	5,300	Palm Oil	Expected
	Nord Trader	10,000	CPO	Expected
Kolkata	Padang Halaban	6,350	CPO	Arrived
	Frabandari	7,300	CPO	Arrived
	Marida Prince	10,450	CPO	Arrived
	Spring Glory	7,239	CPO	Arrived
Mumbai	Pacific Sound III	16,750	Palm Oil	Expected
Chennai	Chemroad Vega	6,500	CPO	Expected
New Mangalore	Golden Dream	4,000	CPO	Expected

Forex Rates**(As on 23.10.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.40
European Union	Euro	57.18
Japan	100 Yen	38.29
United Kingdom	Pound Sterling	85.33