

VEGOIL DAILY

November 15th, 2006

REFINE SOY OIL

FUNDAMENTALS

There is indecisiveness advice from international market, added the bearish mood in the domestic market. Sentiments of demand remained weak in the most of locations witnessed fall in refined soy oil prices in the spot market. Weak projection for CBOT for Tuesday added the weakness. Uncertainty in the crude oil and crude palm oil on BMD futures added another bearishness in the market. Arrival in the major growing areas declined a little but low demand balance it added further indecisiveness in the market. Milling/crushing are in full swing added more soy oil in the market lowering the prices. However, role of rise in CIF remained unclear in current demand/scenario. Refined soy oil for December shipments witnessed steep rise and quoted at \$662 on Tuesday. The market is in wait and watch condition in the current scenario and development in overseas market will be guiding force in coming days. Technical correction in early-session and choppy trading in most to trade day and late speculative buying in the last trading session helped bullishness in NCDEX futures.

PRICE DRIVERS:

1. Decrease arrival pressure
2. Steady millers demand
3. Steady stockiest demand
4. Rising soy oil CIF prices

Weather

Mainly dry weather in central regions, which is supportive to add further arrival in the market.

TECHNICALS

Lower shadows represent the session high and extended well past the open and close. Stochastic is moving towards to make bearish crossover. The prices closed above 9 day and 18 day EMA indicating loose in firmness. MACD heading smoothly towards northwards from bullish cross over. Volume increased significantly while OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	448.4	447.1	452.4	455.0	457.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Buy above 449.50; T1 451.60 and put stop loss at 450.50.

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

Centres	14.11.06	13.11.06	Change
Mumbai (Soy Ref oil)+VAT	437	438	-1
Indore (Soy Ref oil)+VAT	420	425	-5
Kota (Soy Ref. Oil)+VAT	433	431	+2
Hyderabad (Soy Ref)+VAT	450	455	-5
Rajkot (Soy Ref)+Tax	438	440	-2

PALM OIL

International Highlights

Crude Palm oil Futures on BMD Finish Down

The most active contract of January crude palm oil at BMD futures finished down MYR5 at MYR1, 689 per metric ton. Tuesday was again the choppy trading day as Monday as well as low excitement against SGS cargo export sales to be released for the period of Nov 1-15 results in mixed sentiments in the market. Uncertainty in soy oil and crude oil futures also added indecisiveness in the market.

Domestic Spot Market Highlights

Indecisiveness in the overseas market added bearishness in the domestic market. Edible oil import down in the country by 12% during the period of Nov-oct 2005/06 added another bearish mood. In most of locations, palm oil demand declined supported the downward movement in prices.

BMD: CPO Futures (14.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1653	1660	1660	1655	1655	+2	11
Dec.06	1667	1674	1684	1667	1668	+1	1409
Jan.07	1694	1700	1705	1685	1689	-5	8168
Feb.07	1705	1711	1718	1697	1700	-5	2921
Mar.07	1719	1720	1725	1709	1711	-8	321

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.11.06	13.11.06	Change
Kandla CPO (5 % FFA)	394	393	+1
Kandla RBD Palmolein +VAT	411	411	0
Mumbai RBD Palmolein +VAT	424	425	-1
Chennai RBD Palmolein +VAT	437	438	-1
Kakinada RBD Palmolein +VAT	418	417	+1
Hyderabad RBD Palmolein	450	455	-5
Delhi RDB Palmolein	450	460	-10

Rape/Mustard oil

Spot market prices of mustard oil remained mixed in the spot market in support of a range of demand. In Jaipur, meal demand remains steady but manage to support its oil demand to flourish and ends with gains in prices. Further improvement of Nafed mustard seed prices, which is Rs. 1810 per quintal for last year stock, relaxed the buying sentiments of stockiest. The continuous rising rape meal demand would be helpful to see further improvement in prices.

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

Centres	14.11.06	13.11.06	Change
Mumbai (Exp. Oil) +VAT	448	447	+1
Kota (Expeller Oil)+VAT	421	422	-1
Jaipur (Expeller Oil)+VAT	430	428	+2
Delhi (Expeller Oil)	442	442	0
Neewai (Expeller Oil) +VAT	NA	420	-

Groundnut Refine Oil

Groundnut refined oil prices remained range bound in the light of steady demand and supply in most of centres. Strong retail demand helped Hyderabad market to stay in firm tune. In Rajkot market shelled groundnut kept unchanged and quoted at Rs. 395/20kg. Traders are expecting gains in prices in present demand and supply scenario.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	14.11.06	13.11.06	Change
Mumbai +VAT	560	560	0
Rajkot +VAT	525	525	0
Andhra Region +VAT	640	630	+10
Chennai +VAT	560	560	0
Delhi	530	540	-10

Sunflower Refine Oil

CIF rates rise sharply, which meant costlier landing of sunflower oil in the domestic market support domestic to rise sharply. Emergence of fresh demand and weak arrival also provide additional bullishness. CIF rates of sunflower refined oil for December shipment increased and quoted at \$709 on Tuesday. It prices likely to moves according to developments in overseas market.

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

Centres	14.11.06	13.11.06	Change
Mumbai +VAT	565	552	+13
Rajkot +VAT	575	572	+3
Hyderabad VAT	570	570	0

Cotton Refine Oil

The steady cottonseed arrival continued in the spot market sufficient enough to offset demand. Now, major producing areas turned into major consuming areas and result into range bound prices. Prices likely to follows the same trends in coming days.

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

Centres	14.11.06	13.11.06	Change
Mumbai +VAT	445	445	0
Hyderabad +VAT	450	450	0
Rajkot + VAT	436	440	-4
Delhi	435	433	+2

Forex Rates

(As on 14.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.16
European Union	Euro	57.92
Japan	100 Yen	38.40
United Kingdom	Pound Sterling	85.99

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Integrity	6,800	CPO	Arrived
	M.T. Chemroad Echo	21,000	Palm oil	Expected
Chennai	Stolt Sincerity	9,000	Sunflower oil	Expected
Mumbai	Chem Bridge	4,500	Palm oil	Arrived

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