



VEGOIL DAILY

November 24th, 2006

REFINED SOY OIL

FUNDAMENTALS

Soy refined oil is one of major consuming edible oil in the country and recent released by Solvent Extractors Association of India (SEAI) highlighted edible oil import may goes up 60 lakh tons during oil year 2006/07, supported refined soy oil buying from stockiest on account to fetch good returns in off-season. Nearly all mills are running in full swing and requirement of soybeans seed is high but low released from producers are to fetch high returns had some bullish impact. However crushing is steady these days in support of steady meal demand from exporters result into low soy oil output against actual requirement in the market. The weak advice from overseas market remains ineffective to impose any bearish impact in the domestic market. CIF prices also remained closed to yesterday price provided some additional support and quoted at \$705 for December shipment on Thursday. Weakness in soy oil futures at CBOT and crude palm oil at BMD futures results into speculative selling of soy oil at NCDEX futures and turned bearish during most of trading session.

PRICE DRIVERS:

1. Marginally weak arrival pressure
2. Fall in CIF prices
3. Weakness on CBOT soy oil futures and crude palm oil futures on BMD futures
4. Down in crude oil prices

Weather

Dry weather in major producing areas, supportive to fresh arrival.

TECHNICALS

The small filled body candlestick with nearly equal upper and lower shadow indicates robust trade activity of indecisiveness between buyers and sellers during trade-session. Stochastic are in overbought regions and moving slightly downward after made bearish crossover. The prices closed high above 9 day and 18 day EMA indicating market strength. MACD running freely upward. From the last day both volume and OI are declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	465.0	467.0	473.2	476.0	478.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:

Buy Near 470.0; T1 472.0 and put stop loss at 469.0.

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

Centres	23.11.06	22.11.06	Change
Mumbai (Soy Ref oil)+VAT	468	461	+7
Indore (Soy Ref oil)+VAT	446	443	+3
Kota (Soy Ref. Oil)+VAT	460	455	+5
Hyderabad (Soy Ref)+VAT	475	475	0
Rajkot (Soy Ref)+Tax	450	445	+5

PALM OIL

International Highlights

BMD Crude Palm Oil Settle Down

In support of couple of factors like profit-taking, lack of new fundament news and need for technical correction witnessed fall in crude palm oil prices at BMD futures. Lack of rally to supports fundament bullish sentiments of demand and supply results into fall in CPO futures. The most active February contract finished down MYR 30 at MYR1,836 per ton.

Domestic Spot Market Highlights

Palm oil prices remained mostly range bound in the spot market on follow-through demand/supply scenario. Higher palm oil prices in domestic market had made a choice to shift to other available cheaper options. Many vessels are expected to fuel more palm oil had some bearish impact.

BMD: CPO Futures (23.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1818	1801	1801	1783	1793	-25	675
Jan.07	1840	1833	1833	1805	1814	-26	1752
Feb.07	1866	1851	1856	1828	1836	-30	5780
Mar.07	1866	1859	1865	1837	1843	-23	3429
Apr.07	1870	1844	1855	1835	1845	-25	45

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	23.11.06	22.11.06	Change
Kandla CPO (5 % FFA)	409	409	0
Kandla RBD Palmolein +VAT	428	428	0
Mumbai RBD Palmolein +VAT	451	448	+3
Chennai RBD Palmolein +VAT	455	455	0
Kakinada RBD Palmolein +VAT	430	430	0
Hyderabad RBD Palmolein	463	463	0
Delhi RDB Palmolein	470	475	-5

Rape/Mustard oil

Spot market prices of mustard oil remains firmed in most of centres amidst improved demand from stockiest and steady release from millers. Although previous suspended trade activities got some acceleration from steady uptake from millers had some bullish impact. Nafed still stayed in competitions with other stockiest by having hefty stock of mustard seed around 20 lakh tons and sold at Rs. 1885 per quintal for last year stock. Traders are in confusion about market movement and expecting further improvement in prices.

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

Centres	23.11.06	22.11.06	Change
Mumbai (Exp. Oil) +VAT	475	470	+5
Kota (Expeller Oil)+VAT	450	445	+5
Jaipur (Expeller Oil)+VAT	455	455	0
Delhi (Expeller Oil)	490	485	+5
Neewai (Expeller Oil) +VAT	452	450	+2

Groundnut Refine Oil

Groundnut refined oil prices remains steady in few locations on follow-through mood. In Delhi, heavy influx is reported witness a sharp decline with existing steady demand. Due to past high meal demand lead into abound influx into the market still had bearish impact. In Rajkot market shell groundnut quoted at Rs. 415/20 Kg improved by Rs. 5 on account of improved millers demand.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	23.11.06	22.11.06	Change
Mumbai +VAT	580	580	0
Rajkot +VAT	546	540	+6
Andhra Region +VAT	635	650	-15
Chennai +VAT	580	580	0
Delhi	570	600	-30

Sunflower Refine Oil

On account of rising price trends in other vegetable oil, sunflower refined oil prices improved significantly from last couple of days. As well as CIF rates are also spiraling added the firm tone. CIF prices of sunflower refined oil for December Shipment quoted at \$738 on Thursday.

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

Centres	23.11.06	22.11.06	Change
Mumbai +VAT	615	605	+10
Chennai +VAT	610	610	0
Hyderabad +VAT	640	635	+5

Cotton Refine Oil

Arrivals of cottonseed from major producing areas are sufficient enough to meet demand from millers. Amidst good supply of cotton-refined oil at few centres, prices remained range bound. At other locations its prices remained firm in tandem with soy oil. As per trade expectations, it prices likely to follow developments in international market in coming days.

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

Centres	23.11.06	22.11.06	Change
Mumbai +VAT	462	462	0
Hyderabad +VAT	465	465	0
Rajkot + VAT	462	455	+7
Delhi	445	442	+3

Forex Rates

(As on 23.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.70
European Union	Euro	57.82
Japan	100 Yen	38.35
United Kingdom	Pound Sterling	85.57

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Shina	6,410	CPO	Arrived
Manglore	Global Venus (MLI)	8,500	CPO	Arrived
Mumbai	Pioneer Spirit-III	7,000	Palm Oil	Expected
Mundra	MT ACE 7	7,145	Palm oil	Expected

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