

VEGOIL DAILY

December 01st, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot market prices of refined soy oil remains steady to weak on mixed demand nationwide. In few markets prices remains weak on exceeding supply to demand while in rest of locations, arrivals are improved but equal aggressive buying kept prices range bound. Arrival expected to further increase in coming days had some bearish impact. Mills are running less to its full capacity under low meal demand and oil demand added more bears in the market. Slightly weakness of crude oil along with lack of conformation on revision in palm group oil has strong bearish impact in the physical market besides firmness in crude palm oil at BMD futures, strong CBOT soy oil projections for Thursday and improvement in refined soy oil CIF prices. The CIF rate for refined soy oil for December shipment was quoted at \$719 on Thursday. In the prevailing conditions traders are in wait and watch situations and domestic market will likely to replicated sentiments according to global market. In strong influence of revision on import duty market faced choppy trading during trade session and ends with speculative buying on NCDEX soy oil futures.

PRICE DRIVERS:

1. Weak soybeans prices
2. Low domestic demand
3. Steady arrival pressure
4. Likely revision of import duty of imported oils

Weather

Isolated rainfall liking over Madhya Pradesh expected to influence soybean arrival marginally and dry weather in rest of growing areas would support to arrivals.

TECHNICALS

The short hollow body with short upper and longer shadow candlestick indicated buyers dominancy most of trade-session. Stochastic are move more down to below to overbought regions. The prices come between 9 day EMA and 18 days EMA indicating low strength in the market. MACD are running downwards after making bearish crossover. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	460	463	467.75	470	473

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:

Sell Below 467; T1 465, T2 464 and put stop loss at 468.

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

Centres	30.11.06	29.11.06	Change
Mumbai (Soy Ref oil)+VAT	468	468	0
Indore (Soy Ref oil)+VAT	446	448	-2
Kota (Soy Ref. Oil)+VAT	463	463	0
Hyderabad (Soy Ref)+VAT	460	465	-5
Rajkot (Soy Ref)+Tax	470	470	0

PALM OIL

International Highlights

Crude Palm oil at BMD Futures Ends High

The crude palm oil futures ended sharp high on Thursday on strong guiding forces like long-term demand from India and China and overnight firmness in soy oil futures at CBOT. The most active contract February ended high with MYR 51 to MYR 1,940 per metric ton reached market to overbought condition. In addition some fresh buying helped market to stay in firm tune. The SGS cargo export sale estimation fell to 5% in November to October month failed to bring about any negative movement under above strong guiding forces

Domestic Spot Market Highlights

Palm oil price remains steady to weak in the spot market on mixed demand. Most of the market remains range bound on steady/demand scenario. Firmness in crude palm oil at BMD futures was avoided on low domestic demand. Traders are optimistic to palm group oil tariff duty revision to restore trade activities.

BMD: CPO Futures (30.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1850	1866	1909	1866	1901	+51	220
Jan.07	1872	1905	1948	1900	1927	+55	1019
Feb.07	1889	1911	1958	1904	1940	+51	8602
Mar.07	1895	1915	1960	1909	1948	+53	4276
Apr.07	1896	1928	1955	1928	1950	+54	145

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	30.11.2006	29.11.06	Change
Kandla CPO (5 % FFA)	410	412	-2
Kandla RBD Palmolein +VAT	428	428	0
Mumbai RBD Palmolein +VAT	445	449	-4
Chennai RBD Palmolein +VAT	450	450	0
Kakinada RBD Palmolein +VAT	430	430	0
Hyderabad RBD Palmolein	463	468	-5
Delhi RDB Palmolein	475	475	0

Rape/Mustard oil

Spot market prices of mustard oil remains weak on follow-through sentiments countrywide. In expectation of further fall in oil prices, reduction in stockist interest to pile up their inventories is noticed. Nafed further hike Rs. 10 to Rs. 1890 per quintal for last year stock. In absence of proper demand traders are expecting further fall in mustard oil price.

Groundnut Refine Oil

Except Hyderabad, where little shortage of groundnut refined oil claims price gains, rest of centres remained weak on low buyer's interest. Previous heavy crushing led to abound oil stock had also some bearish impact. In Rajkot, shelled groundnut was quoted at Rs.407/20 kg. Further fall in oil prices would be like to bring some cheers among traders.

Sunflower Refine Oil

CIF prices of sunflower refined oil remains weak during the week failed to provide adequate support to spot market and witnessed fall in prices. Arrival of fresh sunflower oil likely to hit soon in the market as arrival pressure would intense in approaching day will determine the price movement. CIF prices of refined sunflower oil for December shipment were quoted at \$743 on Thursday.

Cotton Refine Oil

Spot market prices of cotton refined oil remains dull in the domestic market on exceeding supply to demand. In order to get short gains heavy oil influx is reported in the market had bearish impact. Arrival remains steady but low millers demand elevates bears in the market. The development in international market will be guiding forces in coming days.

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

Centres	30.11.06	29.11.06	Change
Mumbai (Exp. Oil) +VAT	465	468	-3
Kota (Expeller Oil)+VAT	448	NA	-
Jaipur (Expeller Oil)+VAT	452	NA	-
Delhi (Expeller Oil)	475	480	-5
Neewai (Expeller Oil) +VAT	446	455	-9

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	30.11.06	29.11.06	Change
Mumbai +VAT	565	570	-5
Rajkot +VAT	530	535	-5
Andhra Region +VAT	620	610	+10
Chennai +VAT	575	580	-5
Delhi	570	580	-10

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

Centres	30.11.06	29.11.06	Change
Mumbai +VAT	595	595	0
Chennai +VAT	602	600	+2
Hyderabad +VAT	600	600	0

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

Centres	30.11.06	29.11.06	Change
Mumbai +VAT	450	460	-10
Hyderabad +VAT	450	455	-5
Rajkot + VAT	447	450	-3
Delhi	438	440	-2

Forex Rates

(As on 30.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.76
European Union	Euro	58.93
Japan	100 Yen	38.53
United Kingdom	Pound Sterling	87.21

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Laju Sejahtera	4,500	CPO	Arrived
	Pacific Sound	6,500	CPO	Arrived
	Khadijah	5,900	CPO	Arrived
Mumbai	Pioneer Spirit-III	7,000	Palm Oil	Arrived
	Samho Heron	4,968	Palm oil	Arrived
	Star Dream	7,964	Palm oil	Expected
	MT ACE 7	6,070	Palm oil	Expected
Mundra	MT ACE 7	7,145	Palm oil	Expected
Turicorin	Spring Glory	7,300	Palm oil	Expected
Chennai	Spring Wind	5,200	CPO	Arrived

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