

VEGOIL DAILY

November 09th, 2006

REFINE SOY OIL

FUNDAMENTAL MARKETS

Soy refined oil prices remained mixed in most of locations over variation in demand in the domestic market. Although, overall soybean arrival declined in major producing areas and remained short to meet the desire demand, helped market to recover from recent losses. Increasing oil demand from other states added bullish tone in the market. Weak trading activities remains dominated in Delhi market in mixed reaction against sealing kept prices range bound. Still all mills are lagging behind to its full capacity had bearish impact in few markets. There is further decline in crude oil futures at NYMEX forced market down. Decline in crude oil remains unclear over biodiesel futures in the international market added bearishness in the market. Soy oil's competitive crude palm oil on BMD futures remained bearish during most of the trading day added bears in the market. However, CIF prices improved in comparison to yesterday prices but remains clueless. CIF rate for refined soy oil for September-January shipments was quoted at \$660 on Wednesday. Continuous decline in crude oil prices influenced directly BMD futures, which remained bearish most of the day and same result replicated on NCDEX futures.

PRICE DRIVERS:

1. Decreasing arrival pressure
2. Improving millers demand
3. Weak in crude oil futures
4. Improvement in CIF Prices

Weather

Isolated rainfall is likely in southwest Madhya Pradesh, might not produce any ill effect as soybean harvest has nearly completed.

TECHNICALS

Long body un-filled candlestick indicates improved market sentiments. Stochastic heading southwards indicating bearish market sentiments. RSI indicating firmness as curving up for possible bullish cross over. The prices closed above 9 day and 18 day EMA indicating firmness. MACD remain weak and heading southwards indicating slackness. Volume decline slightly while OI remain steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	441.80	442.50	444.45	447.80	449.00

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Buy Near 443.90; T1 446.00 and put stop loss at 442.80.

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

Centres	8.11.06	7.11.06	Change
Mumbai (Soy Ref oil)+VAT	419	419	0
Indore (Soy Ref oil)+VAT	404	405	-1
Kota (Soy Ref. Oil)+VAT	416	415	+1
Hyderabad (Soy Ref)+VAT	437	438	-1
Rajkot (Soy Ref)+Tax	424	418	+6

PALM OIL

International Highlights

Crude Palm oil Futures on BMD Slightly Down

The most active contract of January finished down at MYR6 at MYR1,674 per metric ton. There is devoid of new fundament in the market before November 10 due date of SGS cargo to release its exports statistics had bearish impact. Expectation of fall of soy oil futures on CBOT also pressurized market. However, short-lived rally is unable to provide any consolidate support on Wednesday.

Domestic Spot Market Highlights

Spot prices of palm oil down in the domestic market on weak retail demand. However, crude palm oil on BMD futures further declined to Tuesday had bearish impact in the market. Demand from vanaspati makers also witness sharp decline in addition to retail demand. Palm oil prices are much more depend on developments in overseas market.

BMD: CPO Futures (8.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1647	1650	1650	1639	1645	-2	61
Dec.06	1658	1660	1664	1645	1654	-4	826
Jan.07	1680	1682	1687	1664	1674	-6	7909
Feb.07	1690	1695	1699	1674	1683	-7	4582
Mar.07	1701	1703	1703	1686	1695	-6	184

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	8.11.06	7.11.06	Change
Kandla CPO (5 % FFA)	390	390	0
Kandla RBD Palmolein +VAT	407	406	-1
Mumbai RBD Palmolein +VAT	422	424	-2
Chennai RBD Palmolein +VAT	440	442	-2
Kakinada RBD Palmolein +VAT	415	420	-5
Hyderabad RBD Palmolein	447	450	-3
Delhi RDB Palmolein	455	455	0

Rape/Mustard oil

Sentiments of mustard oil demand remains mixed in the spot market due to over a range of demand. Its prices kept range bound in Delhi along with other vegetable oils on steady demand in support call for market closure. In Rajasthan region an increase in trade activities helped market to remains bullish. Nafed is still keeping tight control to check any price movement. Prices expected to remains volatile on Market will see range bound to firm situation in near terms.

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

Centres	8.11.06	7.11.06	Change
Mumbai (Exp. Oil) +VAT	442	445	-3
Kota (Expeller Oil)+VAT	419	415	+4
Jaipur (Expeller Oil)+VAT	425	423	+2
Delhi (Expeller Oil)	430	430	0
Neewai (Expeller Oil) +VAT	408	409	-1

Groundnut Refine Oil

Groundnut refined oil prices remained high in most of the market. The good buying pressure in Mumbai in support of retail demand keeps the bulls high while in Chennai low availability for expellers helped its to stay high. In Rajkot market shelled groundnut kept steady and quoted at Rs. 390/20kg. According to trader's expectations, trade activities remain steady to bullish in near terms.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	8.11.06	7.11.06	Change
Mumbai +VAT	545	540	+5
Rajkot +VAT	510	512	-2
Andhra Region +VAT	610	NA	-
Chennai +VAT	580	565	+15
Delhi	530	530	0

Sunflower Refine Oil

Inconsistent arrival and inferior quality of sunflowers seed reported in the spot market, which enough strong to bring about some change in Mumbai. There is proper stock position in rest of the market kept its prices range bound as well as bearish tone in the international market contribute bears in the domestic market. It seems that its price likely to follows the development in overseas market.

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

Centres	8.11.06	7.11.06	Change
Mumbai +VAT	550	555	-5
Chennai +VAT	570	570	0
Hyderabad VAT	565	NA	-

Cotton Refine Oil

Overall sentiments in cotton refined oil prices remained weak on increasing arrival pressure in major growing areas and some support also came from favourable weather conditions. These days crushing of cottonseed are high to meet the meal demand that leads to heavy influx of by-product in the market and witnessed decline in oil as well as additional support provided by trends in other vegetable oil. Traders are expecting steady to weak sentiments in prices in near terms.

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

Centres	8.11.06	7.11.06	Change
Mumbai +VAT	429	432	-3
Hyderabad +VAT	437	NA	-
Rajkot + VAT	430	440	-10
Delhi	420	420	0

Forex Rates

(As on 8.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.86
European Union	Euro	57.07
Japan	100 Yen	37.98
United Kingdom	Pound Sterling	85.17

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Integrity 1	6,800	CPO	Expected
	Sima Kazee	7,000	CPO	Arrived
Tamil Nadu	Khadijah	6,250	Palm oil	Arrived
Chennai	L.Star	2,100	CPO	Arrived
	Olympic	5,500	CPO	Expected

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