

VEGOIL DAILY

November 08th, 2006

REFINE SOY OIL

FUNDAMENTAL MARKETS

Sentiments of soy refined oil demand remained bearish in the spot market on weak demand in the most of locations. Trade activities remained weak in Delhi on protest of sealing. There is a significant improvement recorded in meal demand by exporters as recent released by SOPA registered a export growth of approximately 46% in October month, which meant huge crushing by millers/crusher resulting flood of oil in the domestic market, witnessed a sharp declined on Tuesday. Arrival pressure in the market stay high but less equal buying kept the bears strong in the market. Also there is a decline in crude oil prices pushed the market down in addition with negative projection of CBOT for Tuesday added the bearish tone. There is a sharp decline in CIF prices indicated cheap landing of imported oil in the domestic market weaken its prices. CIF rate for refined soy oil for September-January shipments was quoted at \$657 on Tuesday. Weak advice of overseas market had bearish impact on NCDEX futures and soy oil remained weak during most part of trading session.

PRICE DRIVERS:

1. Increased in meal export
2. Increasing Arrival Pressure
3. Down in crude oil prices
4. Decreased CIF prices

Weather

Respite from bad weather in south Madhya Maharastra will supportive to increase in the arrival in the market.

TECHNICALS

Opening bozu filled candlestick indicates bearish market sentiments. Stochastic made bearish cross over indicating bearish market sentiments. The prices closed above 9 day and 18 day EMA indicating firmness. MACD made bearish cross over and declining with wide divergence indicating slackness. Volume increased while OI decline marginally indicating weak market condition.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	437.50	439.20	442.80	444.30	446.70

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Sell Below 442.50; T1 440.60 and put stop loss at 443.60.

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

Centres	7.11.06	6.11.06	Change
Mumbai (Soy Ref oil)+VAT	419	419	0
Indore (Soy Ref oil)+VAT	405	408	-5
Kota (Soy Ref. Oil)+VAT	415	417	-2
Hyderabad (Soy Ref)+VAT	438	440	-2
Rajkot (Soy Ref)+Tax	418	420	-2

PALM OIL

International Highlights

Crude Palm oil Futures on BMD Witness Sharp Fall

Crude palm oil on BMD futures sees the sharp decline on Tuesday in lack of fundement news as well as due to technical pressure. Technical pressure in market was high and pressurizing it to see sharp declined as well as lack of fresh fundement news before export data by SGS added the bearish tone. Also, supportive forces like crude oil remained ineffective to bring about any changes except in opening session. The most active contract of January settled down at MYR 28 at MYR1,680 per metric ton.

Domestic Spot Market Highlights

Palm oil demand remained steady in the domestic market kept its prices range bound. However, crude palm oil on BMD futures witnessed a sharp decline and its well supported by technical pressure remained clueless to bring about any change.

BMD: CPO Futures (7.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1663	1682	1682	1647	1647	-16	282
Dec.06	1692	1683	1688	1665	1658	-34	2747
Jan.07	1708	1701	1711	1680	1680	-28	8041
Feb.07	1722	1715	1723	1692	1691	-31	4621
Mar.07	1732	1725	1728	1701	1701	-31	78

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	7.11.06	6.11.06	Change
Kandla CPO (5 % FFA)	390	390	0
Kandla RBD Palmolein +VAT	406	410	-4
Mumbai RBD Palmolein +VAT	424	424	0
Chennai RBD Palmolein +VAT	442	442	0
Kakinada RBD Palmolein +VAT	420	420	0
Hyderabad RBD Palmolein	450	450	0
Delhi RDB Palmolein	455	455	0

Rape/Mustard oil

Spot market prices of mustard oil remained bullish on increasing retail demand. There is shifting of acreage to other remunerate crops fuelling stockiest to cover more stock for future prospective had bullish impact. Nafed mustard seed selling prices witnessed a decline to induce buying pressure. Nafed sold at Rs. 1675 per quintal for old stock and Rs. 1710 per quintal for last year stock. Market will see range bound to firm situation in near terms.

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

Centres	7.11.06	6.11.06	Change
Mumbai (Exp. Oil) +VAT	445	440	+5
Kota (Expeller Oil)+VAT	415	410	+5
Jaipur (Expeller Oil)+VAT	423	418	+5
Delhi (Expeller Oil)	430	430	0
Neewai (Expeller Oil) +VAT	409	NA	-

Groundnut Refine Oil

Sentiments of ground refined oil prices remained steady in the most of market on no change in demand as compare to yesterday. There is an emergence of meal demand from exporters lead to good crushing and that result in abound influx of oil, helped to bring down its price in Rajkot. In Rajkot market shelled groundnut was quoted at Rs. 390/20kg. Traders are expecting improvement in prices in coming days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	7.11.06	6.11.06	Change
Mumbai +VAT	540	540	0
Rajkot +VAT	512	517	-5
Andhra Region +VAT	NA	600	-
Chennai +VAT	565	565	0
Delhi	530	530	0

Sunflower Refine Oil

Spot market prices of sunflower refined oil remained bullish on Tuesday due to lack of proper arrival. Sunflower arrival is likely to delay by more than 15-20 days of normal arrival according to trade sources. Although oil demand is good in the retail market but less availability, resulting of this price improvement. Traders are expecting further improvement in prices in the present scenario.

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

Centres	7.11.06	6.11.06	Change
Mumbai +VAT	555	545	+10
Chennai +VAT	570	560	+10
Hyderabad VAT	NA	565	-

Cotton Refine Oil

Cotton refined oil prices stayed firmed in most of market on increasing buying support. Respite from bad weather helped its arrival to increase but good support from millers kept the bulls high as well as emergence of retail demand provided additional support. Steady to increase in prices is expected in near terms.

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

Centres	7.11.06	6.11.06	Change
Mumbai +VAT	432	430	+2
Hyderabad +VAT	NA	442	-
Rajkot + VAT	440	435	+5
Delhi	420	420	0

Forex Rates

(As on 7.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.83
European Union	Euro	57.21
Japan	100 Yen	38.07
United Kingdom	Pound Sterling	85.36

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2005 Indian Agribusiness Systems Pvt Ltd.