

VEGOIL DAILY

November 17th, 2006

REFINED SOY OIL

FUNDAMENTALS

Refined soy oil showed a price range on mixed demand in the domestic market. Less trade activities in major producing areas showed the range bound prices. Mostly mills are in running in full capacity and it results into huge influx of soy oil in the market but equal aggressive buying ends with range bound prices. Rising soybean seed prices compromising millers to off take at higher prices influenced soy refined oil prices in the spot market. Crude palm oil on BMD future, which is remained bullish in the first session, strengthens the domestic market. CIF prices increased further provided additional support to the domestic market. CIF prices of December shipments quoted at \$683 on Thursday. Domestic market will be keeping tracks of development in overseas market in near terms. There are a couple of factors like yesterday weak soy oil on CBOT futures and marginally weakness in crude palm oil on BMD futures results into choppy trading that turned into speculative selling kept NCDEX futures bearish during most part of trading day.

PRICE DRIVERS:

1. Steady arrival pressure
2. Crushing in full swing
3. Weak CBOT soy oil futures
4. Weakness in crude palm oil on BMD futures.

Weather

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

TECHNICALS

Long upper shadow filled candle indicate buyers dominated during the session. Stochastic moving towards to make bullish crossover. The prices closed high above 9 day and 18 day EMA indicating market still firm in the market. MACD heading smoothly upwards from bullish cross over. Both volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	454.4	456.6	459.5	463.8	465.2

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Buy Near 460.8; T1 462.8 and put stop loss at 459.6.

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

Centres	16.11.06	15.11.06	Change
Mumbai (Soy Ref oil)+VAT	445	443	+2
Indore (Soy Ref oil)+VAT	428	425	+3
Kota (Soy Ref. Oil)+VAT	444	447	-3
Hyderabad (Soy Ref)+VAT	455	455	0
Rajkot (Soy Ref)+Tax	440	440	0

PALM OIL

International Highlights

Crude Palm oil Futures on BMD Ends Slightly Weak

The most active contract of February crude palm oil at BMD futures slightly down MYR2 at MYR1,755 per metric ton on Thursday on devoid of rally from the support of previous market high. Choppy trading throughout the trading day and hint from technical indicators of lack of buying interest added the weakness in additions with lack of any new bullish development turned CPO futures down.

Domestic Spot Market Highlights

On the firm support of other veg oil and marginally weak crude palm oil on BMD futures, palm oil prices remained firm in the domestic market. Increasing landing cost of crude palm oil in the country on rising FOB prices add the firmness in the spot market. According to traders domestic market will likely to follow development in global market.

BMD: CPO Futures (16.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1719	1719	1738	1713	1725	+6	944
Jan.07	1746	1736	1767	1734	1745	-1	5500
Feb.07	1757	1749	1781	1747	1755	-2	11885
Mar.07	1780	1770	1794	1758	1768	-12	3380
Apr.07	1789	1780	1796	1762	1773	-16	821

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	16.11.06	15.11.06	Change
Kandla CPO (5 % FFA)	400	395	+5
Kandla RBD Palmolein +VAT	414	411	+3
Mumbai RBD Palmolein +VAT	430	430	0
Chennai RBD Palmolein +VAT	442	441	+1
Kakinada RBD Palmolein +VAT	421	420	+1
Hyderabad RBD Palmolein	459	455	+4
Delhi RDB Palmolein	470	465	+5

Rape/Mustard oil

Mustard oil prices remained bullish in the spot market as demand continued to flourish. No fresh stocking is reported in majority of market due to higher prices. To meet high export meal demand crushing is high and oil prices spiraling accordingly mustard seed prices in the spot market. Nafed increased again its mustard seed prices i.e. Rs. 1840 per quintal for old stock and Rs. 1865 per quintal last year stocks to offset millers demand. It is likely further enhancement in mustard oil prices in near terms.

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

Centres	16.11.06	15.11.06	Change
Mumbai (Exp. Oil) +VAT	NA	448	-
Kota (Expeller Oil)+VAT	NA	425	-
Jaipur (Expeller Oil)+VAT	NA	425	-
Delhi (Expeller Oil)	475	465	+10
Neewai (Expeller Oil) +VAT	440	435	+5

Groundnut Refine Oil

Groundnut refined oil prices remained steady in the spot market on stable demand/supply scenario. At these high prices stockiest reduces their buying and result into range bound prices. Local consumption is still dominant in Rajkot that results into price gain. In Rajkot market shelled groundnut kept steady and quoted at Rs. 395/20kg. In current market situations prices likely to firmed at range bound in coming days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	16.11.06	15.11.06	Change
Mumbai +VAT	560	560	0
Rajkot +VAT	530	525	+3
Andhra Region +VAT	650	650	0
Chennai +VAT	560	560	0
Delhi	590	NA	-

Sunflower Refine Oil

Inconsistent arrival of sunflower seed in the market results into high spot prices, which helped sunflower refined oil price to remained bullish. Increased in CIF price of sunflower refined oil also supportive to its higher prices, which quoted at \$715 on Thursday for December shipment. Sunflower refined oil prices may move further in prevailing conditions.

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

Centres	16.11.06	15.11.06	Change
Mumbai +VAT	572	568	+4
Rajkot +VAT	570	570	0
Hyderabad VAT	590	585	+5

Cotton Refine Oil

Cotton refined oil demand remained steady to firm in most of locations. Suspended trade activities at these higher prices turned few centres into steady situation. Cottonseed arrival remains steady but enough millers' support to meet meal demand results into slightly high oil influx in the market firmed its prices in rest of locations.

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

Centres	16.11.06	15.11.06	Change
Mumbai +VAT	445	442	+3
Hyderabad +VAT	455	455	0
Rajkot + VAT	442	440	+2
Delhi	440	440	0

Forex Rates

(As on 16.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.17
European Union	Euro	57.89
Japan	100 Yen	38.26
United Kingdom	Pound Sterling	85.24

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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