

VEGOIL DAILY

November 14th, 2006

REFINE SOY OIL

FUNDAMENTAL MARKETS

Refined soy oil prices remained firm in the spot market on continuous rising demand. The upward prices trend gets some momentum on short falls of arrival in major producing areas due to slow released by producer to fetch good returns in future. Weather conditions are favourable in and arrival likely to abound in coming days. Central Organization for Oil Industry (COOI) recent release highlighted oilseed production likely to decline during years 2006/07 by 18%, which induced stockiest to pile up their inventories had bullish impact. No firm advice on CBOT also provides some support to the market to stay high along with rising crude palm oil on BMD futures in support of increase in biodiesel production in year 2006/07 added another bullish impact. CIF rate for refined soy oil for December shipments kept steady and quoted at \$651 on Monday. The market is in wait and watch condition and closely following the developments in the international market. Continuous declined in crude oil prices at NYMEX and no firm advice from CBOT lead into speculative selling that result on NCDEX futures during most part of trading days.

PRICE DRIVERS:

1. Decrease arrival pressure
2. Improving millers demand
3. Increasing stockiest demand
4. Harvest has completed

Weather

Mainly dry weather is likely in central regions, which is helpful in arrival to be continued with constant pace.

TECHNICALS

Long upper shadow and small filled body indicated market bearish sentiments. Stochastic moved steady to northward. The prices closed above 9 day and 18 day EMA indicating loose in firmness. MACD heading northwards from bullish cross over. Volume decreased while OI slightly increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	448.3	449.0	451.2	456.9	458.3

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Buy above 449.20; T1 451.20 and put stop loss at 450.00.

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

Centres	13.11.06	11.11.06	Change
Mumbai (Soy Ref oil)+VAT	438	434	+4
Indore (Soy Ref oil)+VAT	425	420	+5
Kota (Soy Ref. Oil)+VAT	431	424	+7
Hyderabad (Soy Ref)+VAT	455	450	+5
Rajkot (Soy Ref)+Tax	440	433	+7

PALM OIL

International Highlights

Crude Palm oil Futures on BMD Finish Up

The most active contract of January crude palm oil at Bursa Malaysian Derivatives finished up MYR19 at MYR1,694 per metric ton. Monday was the choppy trading day but rising soy oil futures helped CPO to gains prices. Speculative buying added another bullish impact in addition with demand and supply data released on Friday, which remained on line of expectations.

Domestic Spot Market Highlights

Firmness in the overseas market helped domestic market to feel the same sentiments and reaction is the upwardly movement. Some improvement in retail demand helped market to remained firm. However, palm oil import declined in the country during Nov 1-10, this lead to slow release of palm oil in the market from stockiest and results in rise in prices.

BMD: CPO Futures (13.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1640	1650	1652	1650	1652	+12	183
Dec.06	1654	1649	1674	1646	1667	+13	925
Jan.07	1675	1672	1696	1666	1694	+19	5744
Feb.07	1688	1688	1709	1679	1705	+17	2857
Mar.07	1702	1710	1719	1710	1715	+13	67

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	13.11.06	11.11.06	Change
Kandla CPO (5 % FFA)	393	393	0
Kandla RBD Palmolein +VAT	411	407	+4
Mumbai RBD Palmolein +VAT	425	423	+2
Chennai RBD Palmolein +VAT	438	440	-2
Kakinada RBD Palmolein +VAT	417	415	+2
Hyderabad RBD Palmolein	455	450	+5
Delhi RDB Palmolein	460	455	+5

Rape/Mustard oil

Spot market prices of mustard oil remained bullish on rising retail demand. The rapeseed meal demand is high these days along with other arrival oilseed crop and result in ample availability of oil induced role of stockiest. Nafed further increased its prices to offset demand, which is Rs. 1760 per quintal for last year stock. The continuous rising rape meal demand would be helpful to see further improvement in prices.

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

Centres	13.11.06	11.11.06	Change
Mumbai (Exp. Oil) +VAT	447	442	+5
Kota (Expeller Oil)+VAT	422	412	+10
Jaipur (Expeller Oil)+VAT	428	420	+8
Delhi (Expeller Oil)	442	436	+6
Neewai (Expeller Oil) +VAT	420	412	+8

Groundnut Refine Oil

Sentiments of groundnut refined oil demand remained mixed in the spot market for a range of demand. Groundnut seed arrival declined a little in major producing areas but with weak buying pressure balanced it result in range bound prices. The fresh availability of groundnut seed in Chennai witnessed a sharp declined. In Rajkot market shelled groundnut kept unchanged and quoted at Rs. 395/20kg. Traders are expecting gains in prices in present demand and supply scenario.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	13.11.06	11.11.06	Change
Mumbai +VAT	560	558	+2
Rajkot +VAT	525	525	0
Andhra Region +VAT	630	630	0
Chennai +VAT	560	575	-15
Delhi	540	530	+10

Sunflower Refine Oil

Sunflower refined oil prices increased in most of the locations on rising demand. The less oilseed production is expected this year by COOIT had bullish impact in the spot market. Arrival is coming in far less quantity against market requirement added bullish tone in the market. CIF rates of sunflower refined oil for December shipment remained unchanged and quoted at \$703 on Monday. According to trade sources sunflower refined oil prices likely to improve on trends in other vegetable oil.

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

Centres	13.11.06	11.11.06	Change
Mumbai +VAT	552	552	0
Rajkot +VAT	572	570	+2
Hyderabad VAT	570	565	+5

Cotton Refine Oil

Sentiments of cotton refined oil demand remained bullish and this result in gains in prices in the spot market. Although, stockiest demand in high these days in order to fills their inventories to fetch good return in future. Arrival is little declined with added bullishness. Same trends likely to prevails in coming days.

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

Centres	13.11.06	11.11.06	Change
Mumbai +VAT	445	436	+9
Hyderabad +VAT	450	450	0
Rajkot + VAT	440	436	+4
Delhi	433	430	+3

Forex Rates

(As on 13.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.90
European Union	Euro	57.78
Japan	100 Yen	38.25
United Kingdom	Pound Sterling	85.91

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	Spring Wind	2,666	CPO	Arrived
Mumbai	Chem Bridge	4,500	Palm oil	Arrived
Kolkata	Feng Sheng You-2	4,600	CPO	Arrived

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