

## VEGOIL DAILY

November 11<sup>th</sup>, 2006

### REFINE SOY OIL

#### FUNDAMENTAL MARKETS

Increasing refined soy oil demand from other states as well as local demand supported its prices to remain bullish in the spot market. In major producing areas largely off take by stockiest to maintain their inventories added the bullishness. Delhi market remained closed on Friday and isolated rainfall in Hyderabad curbed trade sentiments and resulting range bound prices. According to trade sources, constantly mounting meals demand resulting good soybean buying and it's crushing likely to add more by-product i.e. soy oil in the market might push its prices down in coming days. Recent export sales released from USDA highlighted within range soy oil exports weaken CBOT soy futures yesterday, BMD palm oil futures ended weak and weak crude oil prices remained clueless in the domestic market. CIF prices also declined remained unsupportive. CIF rate for refined soy oil for December shipments was quoted at \$652. There are positive projections of soy oil on CBOT futures resulting speculative buying on NCDEX futures during most of the trading day.

#### PRICE DRIVERS:

1. Steady arrival pressure
2. Improving millers demand
3. Increasing stockiest demand
4. Isolated rainfall in southern peninsula.

#### Weather

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

#### TECHNICALS

Long body closing un-filled candlestick indicates bullish market sentiments. Stochastic improved and made bullish cross over. RS made bullish cross over. The prices closed above 9 day and 18 day EMA indicating firmness. MACD heading northwards for bullish cross over. Volume decline slightly while OI remain steady.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	444.80	447.10	449.40	451.80	454.10

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:  
**Buy** above 449.00; T1 451.00 and put stop loss at 448.00.

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

Centres	10.11.06	9.11.06	Change
Mumbai (Soy Ref oil)+VAT	428	420	+8
Indore (Soy Ref oil)+VAT	409	407	+2
Kota (Soy Ref. Oil)+VAT	NA	420	-
Hyderabad (Soy Ref)+VAT	442	442	0
Rajkot (Soy Ref)+Tax	430	425	+5

## PALM OIL

### International Highlights

#### Crude Palm oil Futures on BMD Finish Down

The most active contract of January settled down at MYR12 at MYR1,675 per metric ton. SGS cargo surveyor released its export sales on Friday highlighted within range export estimation as per earlier expectations. As well some credit went in account of required technical correction for fall in prices. Malaysian Palm oil Board also released palm oil data for October month, which is largely on line remained clueless in the market.

### Domestic Spot Market Highlights

Spot market prices of palm oil observed mostly in weak trends in most of locations. The credit for this weakness is given by declined in crude palm oil on BMD futures. The cheap availability of other vegetable oil supported palm oil traders to shifting other options added bearishness.

#### BMD: CPO Futures (10.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1657	1657	1657	1640	1640	-17	42
Dec.06	1666	1670	1673	1654	1654	-12	1013
Jan.07	1687	1690	1696	1675	1675	-12	5705
Feb.07	1698	1699	1707	1688	1688	-10	2152
Mar.07	1712	1706	1716	1696	1696	-16	143

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	10.11.06	9.11.06	Change
Kandla CPO (5 % FFA)	391	390	+1
Kandla RBD Palmolein +VAT	406	406	0
Mumbai RBD Palmolein +VAT	422	423	-1
Chennai RBD Palmolein +VAT	440	442	-2
Kakinada RBD Palmolein +VAT	415	415	0
Hyderabad RBD Palmolein	450	450	0
Delhi RDB Palmolein	Closed	455	-

#### Rape/Mustard oil

Sentiments of mustard oil demand showed bearish trends as on Thursday resulting fall in prices in the spot market. In the view to weak demand Nafed dropped down mustard seed prices and available at Rs. 1675 per quintal for last old stock and Rs. 1720 per quintal for last stock. Traders are expecting some improvement in prices in coming days.

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

Centres	10.11.06	9.11.06	Change
Mumbai (Exp. Oil) +VAT	442	440	+2
Kota (Expeller Oil)+VAT	411	418	-7
Jaipur (Expeller Oil)+VAT	418	424	-6
Delhi (Expeller Oil)	Closed	430	-
Neewai (Expeller Oil) +VAT	408	408	0

#### Groundnut Refine Oil

Groundnut refined oil demand showed a range that resulting mixed prices in the spot market. Major producing areas satisfy its asked demand from neighboring as well as other states. Isolated rainfall in Hyderabad claimed range bound prices. In Rajkot market shelled groundnut kept steady and quoted at Rs. 395/20kg. Prices will like to follow the previous trends in coming days.

#### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	10.11.06	9.11.06	Change
Mumbai +VAT	555	550	+5
Rajkot +VAT	520	515	+5
Andhra Region +VAT	620	620	0
Chennai +VAT	575	580	-5
Delhi	Closed	530	-

#### Sunflower Refine Oil

There is no change in demand is noticed as compare to yesterday and spot market remained range bound in most of locations. Its arrivals' lacking consistency as well as crop is said to late this year inducing traders to shift other arrival crop also supportive in price to fix at range bound level. CIF rates of sunflower refined oil for December shipment was quoted at \$706 on Friday.

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

Centres	10.11.06	9.11.06	Change
Mumbai +VAT	550	550	0
Rajkot +VAT	570	572	-2
Hyderabad VAT	565	565	0

#### Cotton Refine Oil

Sentiments of cotton refined oil prices remained bullish on improving stockiest demand to pile up their inventories to fetch good returns. However, arrival decline a little provide further support to bullishness. Traders are expecting upward price trends in near terms.

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

Centres	10.11.06	9.11.06	Change
Mumbai +VAT	435	432	+3
Hyderabad +VAT	440	442	-2
Rajkot + VAT	435	433	+2
Delhi	Closed	420	-

#### Forex Rates

(As on 10.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.45
European Union	Euro	57.12
Japan	100 Yen	37.82
United Kingdom	Pound Sterling	84.83

**PORT-WATCH (Latest):**  
**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Integrity 1	8,800	CPO	Arrived
	M.T. Chemroad Echo	21,000	Palm oil	Expected
Tuticorin	Khadijah	6,250	Palm oil	Arrived
Chennai	L.Star	2,100	CPO	Arrived
	Olympic	5,500	CPO	Expected
Mumbai	Chem Bridge	4,500	Palm oil	Expected

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