

VEGOIL DAILY

November 18th, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot market prices of refined soy oil remained bullish in the spot market due to improvement in demand. High soybean seed crushing in the last couple of days resulting into good influx of soy oil in the market and aggressive buying results into shortage in the few market, kept bulls high. However, arrival remains steady but to meet high meal demand from exporters results into strong buying pressure influencing oil prices to stay firm. Crude palm oil on BMD futures, which settled high, influenced domestic spot market to stay in same tune. Although, CIF prices of soy oil slightly declined but remains ineffective to bring about any change in the prices. CIF prices of December shipments quoted at \$682 on Friday. In prevailing situations market will likely to follow development in international market in coming days. Soy oil on NCDEX futures moved with same spirit as by crude palm oil on BMD futures and good demand in physical market. Early weakness and later high recovery replicated with same sentiments and speculative buying kept NCDEX futures bullish during most part of trading day.

PRICE DRIVERS:

1. Steady arrival pressure
2. Crushing in full swing
3. Slightly weakness in CIF prices
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 hollow candle indicate the strong buying pressure during the session. Stochastic moving towards to make bullish crossover. The prices closed high above 9 day and 18 day EMA indicating firmness in the market. MACD heading smoothly upwards from bullish cross over. Although volume increased but OI marginally declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	452.7	455.1	463.1	467.9	471.9

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:

Buy Above 461.3; T1 463.3 and put stop loss at 460.1.

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

Centres	17.11.06	16.11.06	Change
Mumbai (Soy Ref oil)+VAT	444	445	-1
Indore (Soy Ref oil)+VAT	428	428	0
Kota (Soy Ref. Oil)+VAT	446	444	+2
Hyderabad (Soy Ref)+VAT	460	455	+5
Rajkot (Soy Ref)+Tax	444	440	+4

PALM OIL

International Highlights

Crude Palm oil Futures on BMD Ends High

Crude palm oil on BMD futures ended high on Friday on the back of bullish sentiments. Market open weak on low sentiments of crude oil prices but bullish sentiments raised the market spirit and turned it up. Some support came from steady soy oil prices and long terms demand kept bulls high. The most active contract of February crude palm oil at BMD futures ended high MYR9 at MYR1,764 per metric ton. In current scenario high export sales anticipated by traders for the period of Nov 1-20.

Domestic Spot Market Highlights

Although, crude palm oil on BMD futures remained firmed but poor demand in physical market dominated with bearish sentiments. Stockiests are interested to sell-off their palm oil at these days higher prices to get the good returns and waiting for lower prices to place import order.

BMD: CPO Futures (17.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1725	1712	1746	1711	1725	0	998
Jan.07	1745	1740	1776	1733	1749	+4	5472
Feb.07	1755	1748	1788	1743	1764	+9	18188
Mar.07	1767	1757	1797	1752	1771	+4	2919
Apr.07	1773	1770	1800	1764	1785	+12	251

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	17.11.06	16.11.06	Change
Kandla CPO (5 % FFA)	400	400	0
Kandla RBD Palmolein +VAT	414	414	0
Mumbai RBD Palmolein +VAT	430	430	0
Chennai RBD Palmolein +VAT	440	442	-2
Kakinada RBD Palmolein +VAT	420	421	-1
Hyderabad RBD Palmolein	454	459	-5
Delhi RDB Palmolein	465	470	-5

Rape/Mustard oil

Spot market prices of mustard oil remains steady in the spot market on weak demand. The high price of mustard seed reduces its buying by millers as well as its high oil prices curbed stockiest movement for new stocking. Nafed slightly improved its mustard seed prices to Rs. 1870 per quintal for last year stocks. Due to low acreage this year mustard oil sentiments are bullish and traders expect further improvement in prices in coming days.

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

Centres	17.11.06	16.11.06	Change
Mumbai (Exp. Oil) +VAT	NA	NA	-
Kota (Expeller Oil)+VAT	436	NA	-
Jaipur (Expeller Oil)+VAT	440	NA	-
Delhi (Expeller Oil)	473	475	-2
Neewai (Expeller Oil) +VAT	445	440	+5

Groundnut Refine Oil

Groundnut refined oil prices remained mixed in the spot market over a range of demand. The upwardly movement of other veg oil turned few market high, while low demand under higher prices kept bears strong and lack of fresh development lowered the sentiments in few centres. In Rajkot market shelled groundnut move upwardly and quoted at Rs. 400/20kg. In prevailing situation, high prices tendency in the market likely to continue in coming days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	17.11.06	16.11.06	Change
Mumbai +VAT	560	560	0
Rajkot +VAT	528	530	-2
Andhra Region +VAT	640	650	-10
Chennai +VAT	570	560	+10
Delhi	590	590	0

Sunflower Refine Oil

In lack of abound stock position in the market and emergence of new demand kept sunflower refined oil prices high in the domestic market. Additional support came from high CIF prices, which quoted at \$718 on Friday for December Shipment.

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

Centres	17.11.06	16.11.06	Change
Mumbai +VAT	575	572	+3
Rajkot +VAT	580	570	+10
Hyderabad VAT	600	590	+10

Cotton Refine Oil

Cotton refined oil sentiments remained same as on Thursday on lack of fresh fundament development. Cottonseed arrival kept steady but good demand of oil tuned major producing areas high, while in rest of locations steady demand/supply scenario outcome steady spot market. Traders are expecting cotton refined oil move further according to advice of overseas market.

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

Centres	17.11.06	16.11.06	Change
Mumbai +VAT	447	445	+2
Hyderabad +VAT	455	455	0
Rajkot + VAT	445	442	+3
Delhi	440	440	0

Forex Rates

(As on 17.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.01
European Union	Euro	57.48
Japan	100 Yen	38.02
United Kingdom	Pound Sterling	84.91

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	Stolt Sincerity	9,000	Sunflower oil	Expected
Mumbai	Chem Bridge	4,500	Palm oil	Arrived

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