

VEGOIL DAILY

November 22th, 2006

REFINED SOY OIL

FUNDAMENTALS

Refined soy oil prices remained firmed in domestic market on high demand and follow-through mood in crude palm oil prices at BMD futures. The initial hesitation of stockiest to off take at these higher prices overcame by continuous rising soy oil prices in the physical market and further supported by low oilseed acreage areas expectation this years. These days, soybean seed crushing running in full swing and heavy influx likes in coming days may further lower imported soy oil demand in the country. Some additional support came from surge in refined soy oil CIF rates, which increased by \$24 from Nov 15. CIF price for refined soy oil was quoted at \$703 for December shipment. In prevailing conditions traders remained clueless for the market mood and are expecting market to follow the footstep of overseas market. Yesterday high gains of refined soy oil pushed soy oil market more towards overbought regions at NCDEX futures and curbed risk-taking interest on Tuesday and ideas for technical correction lead into speculative selling, thus kept market bearish.

PRICE DRIVERS:

1. Steady arrival pressure
2. Improvement in CIF prices
3. Weak crude oil prices
4. Steady meal demand

Weather

Mainly dry weather in major producing areas, which is supportive to add further soybeans in the market.

TECHNICALS

Filled candlesticks with short lower shadow indicated dominating of buyers most of trade session. Stochastic are still in overbought regions and moving to make bearish crossover. The prices closed high above 9 day and 18 day EMA indicating firmness in the market. MACD running freely upward. Both, volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	464.0	460.0	469.3	473.0	477.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:

Sell Near 469.00; T1 467.00, T2 466.00 and put stop loss at 470.0.

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

Centres	21.11.06	20.11.06	Change
Mumbai (Soy Ref oil)+VAT	460	451	+9
Indore (Soy Ref oil)+VAT	444	438	+6
Kota (Soy Ref. Oil)+VAT	455	NA	-
Hyderabad (Soy Ref)+VAT	470	465	+5
Rajkot (Soy Ref)+Tax	450	450	0

PALM OIL

International Highlights

BMD Crude Palm Oil Finish High

Crude Palm oil futures at Bursa Malaysia Derivatives finished slightly higher on follow-through mood. The most active February contract ended up MYR 7 at MYR1,871 per ton. There were no fresh developments in palm oil markets as such. Overnight firm closing of soy oil had bullish impact on the market. Due to higher prices, its preference for bio-fuel may decline. Bio-diesel units may shift to others cheaper substitutes like soy oil, which appears practically better option in current situation.

Domestic Spot Market Highlights

The bullishness in the overseas market repeated with same spirit in domestic market. Although, retail buying is less at these high prices unable to limit market movement. The millers are waiting prices to come down to regain market activities.

BMD: CPO Futures (21.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1821	1848	1900	1840	1840	+19	667
Jan.07	1850	1850	1930	1840	1855	+5	4778
Feb.07	1864	1864	1949	1853	1871	+7	13972
Mar.07	1873	1883	1955	1860	1876	+3	2592
Apr.07	1879	1900	1930	1880	1880	+1	30

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	21.11.06	20.11.06	Change
Kandla CPO (5 % FFA)	413	408	+5
Kandla RBD Palmolein +VAT	427	414	+13
Mumbai RBD Palmolein +VAT	450	440	+10
Chennai RBD Palmolein +VAT	455	450	+5
Kakinada RBD Palmolein +VAT	433	430	+3
Hyderabad RBD Palmolein	463	462	+1
Delhi RDB Palmolein	470	475	-5

Rape/Mustard oil

Spot market prices of mustard oil remained bullish on the firm tune of overseas market. Availability of mustard seed at higher prices compromising millers to buy and its effect also seen in mustard oil prices. To increase sell Nafed further improved its mustard seed prices, which available at Rs. 1880 per quintal for last year stock. In current situations, traders are expecting suspended trade activities in coming days.

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

Centres	21.11.06	20.11.06	Change
Mumbai (Exp. Oil) +VAT	470	462	+8
Kota (Expeller Oil)+VAT	450	445	+5
Jaipur (Expeller Oil)+VAT	458	452	+6
Delhi (Expeller Oil)	485	475	+10
Neewai (Expeller Oil) +VAT	455	445	+10

Groundnut Refine Oil

Sentiments of groundnut refined oil demand remains high due to reflection of up trends in other vegetable oils results in gains in prices in most of locations. In Rajkot market firm buying raised its prices and suspended trade activities in Hyderabad and Delhi turned market range bound. In Rajkot market shelled groundnut increased and quoted at Rs. 410/20kg. In the current situation its prices are much more depend upon trends in overseas market.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	21.11.06	20.11.06	Change
Mumbai +VAT	575	565	+10
Rajkot +VAT	540	533	+7
Andhra Region +VAT	650	650	0
Chennai +VAT	580	570	+10
Delhi	600	600	0

Sunflower Refine Oil

Delay sunflower arrival and rising CIF prices boosted sunflower refined oil in the spot market nationwide. From Nov 15, it gained \$22 meant for costlier landing of imported oil in the country although no change in demand is noticed to yesterday. CIF prices of sunflower refined oil for December Shipment jumped up and quoted at \$728 on Tuesday. On continuous rising CIF prices traders are expecting further improvement in its prices.

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

Centres	21.11.06	20.11.06	Change
Mumbai +VAT	605	580	+25
Rajkot +VAT	605	600	+5
Hyderabad VAT	620	600	+20

Cotton Refine Oil

Spot market prices of cotton refined oil remained firmed in the spot market from strong support from rising soy oil prices. Both are arrival crop these days and it strongly follows the trends in soy oil. As the price gains is continued in soy oil reflected with same trends in cotton refined oil market. Traders are expecting its prices likely to follow in trends in other vegetable oil.

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

Centres	21.11.06	20.11.06	Change
Mumbai +VAT	462	450	+12
Hyderabad +VAT	465	455	+10
Rajkot + VAT	456	455	+1
Delhi	450	445	+5

Forex Rates

(As on 21.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.99
European Union	Euro	57.63
Japan	100 Yen	38.08
United Kingdom	Pound Sterling	85.34

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Marida Prince	6,850	CPO	Arrived
	Shina	6,410	CPO	Expected
Manglore	Coromandel (MLI)	6,988	Palm oil	Expected
	Cheras	5,999	CPO	Expected
	Global Venus (MLI)	8,500	CPO	Expected
Mumbai	Pioneer Spirit-III	7,000	Palm Oil	Expected

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