

## VEGOIL DAILY

November 06<sup>th</sup>, 2006

### REFINE SOY OIL

#### FUNDAMENTAL MARKETS

On lack of firm guidance of overseas market, domestic market showed the mixed trends in prices in the spot market. Sentiments of soy refined oil demand remained steady in most of the centres. Cloudy conditions in south Madhya Maharastra witnessed slightly decline in soybean arrival helped market to stay in high tune. Heavy soybean buying by millers/crushers to fill up their stock provided underlying support. Not all mills running in its full capacity to meet stockiest futures demand had another bullish impact. High crude oil prices on NYMEX supported biodiesel demand and helped domestic market to stay in same tone with international market. Some support also came from soy oil futures on CBOT, where speculative buying kept the bulls high. There is continuous upwardly trends in CIF rate of soy oil also had bullish impact. CIF rate for refined soy oil for September-January shipment was further increased at \$663 on Saturday. On firm advice of crude oil prices and positive tone of CBOT kept soy oil futures high on NCDEX.

#### PRICE DRIVERS:

1. Rise in crude oil prices
2. Cloudy Weather conditions in MP and Maharastra
3. Increasing Arrival Pressure
4. Increasing millers demand

#### Weather

South India is covered by thick cloud along with isolated rain/thundershowers in south Madhya Maharastra will influence the arrival in the market.

#### TECHNICALS

Opening bozu un-filled candlestick indicates bullish market sentiments. Stochastic made bullish cross over indicating improvement in the market condition. The prices closed above 9 day and 18 day EMA indicating firmness. MACD made bullish cross over with divergence increasing representing firmness. Volume increased while OI remains almost steady.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	443.2	445.4	447.7	450.5	452.7

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:  
**Buy** Above 446.80; T1 449.0 and put stop loss at 445.80.

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

Centres	4.11.06	3.11.06	Change
Mumbai (Soy Ref oil)+VAT	417	417	0
Indore (Soy Ref oil)+VAT	404	407	-3
Kota (Soy Ref. Oil)+VAT	415	415	0
Hyderabad (Soy Ref)+VAT	440	435	+5
Rajkot (Soy Ref)+Tax	418	416	+2

## PALM OIL

### International Highlights

BMD Futures Remained Closed on Saturday.

### Domestic Spot Market Highlights

Spot market prices of palm oil remained mixed on lack of guidance of overseas market. Improvement in retail demand on cloudy weather conditions helped Hyderabad market to gains some acceleration and most of the market remains range bound on stable demand and supply.

#### BMD: CPO Futures (3.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1674	1659	1660	1653	1653	-21	27
Dec.06	1705	1695	1695	1666	1681	-24	1062
Jan.07	1724	1720	1720	1683	1693	-31	9779
Feb.07	1735	1725	1727	1695	1706	-29	2467
Mar.07	1752	1732	1732	1705	1716	-36	347

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	4.11.06	3.11.06	Change
Kandla CPO (5 % FFA)	390	390	0
Kandla RBD Palmolein +VAT	407	407	0
Mumbai RBD Palmolein +VAT	424	424	0
Chennai RBD Palmolein +VAT	441	442	-1
Kakinada RBD Palmolein +VAT	418	418	0
Hyderabad RBD Palmolein	450	448	+2
Delhi RDB Palmolein	455	450	+5

#### Rape/Mustard oil

Sentiments for mustard oil demand remained mixed in the spot market over a variation in demand. In Rajasthan, strong buying from stockiest on expectation of low acreage in the next crop year had bullish impact. Nafed mustard selling prices remained unchanged to yesterday i.e. Rs. 1700 per quintal for old stock and Rs. 1730 per quintal for last year stock remain in favor of stockiest. Prices likely to stay steady in coming days depending on demand.

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

Centres	4.11.06	3.11.06	Change
Mumbai (Exp. Oil) +VAT	434	434	0
Kota (Expeller Oil)+VAT	410	408	+2
Jaipur (Expeller Oil)+VAT	418	415	+3
Delhi (Expeller Oil)	430	435	-5
Neewai (Expeller Oil) +VAT	410	420	-10

#### Groundnut Refine Oil

Low groundnut arrival in Andra region compromised millers to buy it on higher prices on bad weather situation resulting significantly increase in groundnut refined oil prices in the spot market. On balance demand and supply scenario most of market witnessed range bound prices. In Rajkot market shelled groundnut was quoted at Rs. 385/20kg. Its prices likely to come down on improve arrival in coming days.

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

Centres	4.11.06	3.11.06	Change
Mumbai +VAT	535	540	-5
Rajkot +VAT	512	510	+2
Andhra Region +VAT	590	580	+10
Chennai +VAT	560	560	0
Delhi	530	530	0

#### Sunflower Refine Oil

Sunflower refined oil prices are increased in nearly all centres indicating improved retail demand. Crop is expected to delay this years had additional bullishness. Continuous rise in CIF in last couple of days had another bullish impact. The CIF price of refined sunflower oil for September-January shipment witnessed further was quoted at \$ 666 on Saturday. Price movement in other vegetable oil will likely to influence its price in near terms.

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

Centres	4.11.06	3.11.06	Change
Mumbai +VAT	530	525	+5
Chennai +VAT	545	540	+5
Hyderabad VAT	555	550	+5

#### Cotton Refine Oil

Cotton crops in the harvesting stage in most of producing areas. Arrivals declined in response to bad weather condition helped cotton refined oil prices to go up in the spot market. Steady to weak demand kept its prices mixed in the rest of locations. Traders are expecting that arrivals are likely to pick up in coming days.

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

Centres	4.11.06	3.11.06	Change
Mumbai +VAT	427	427	0
Hyderabad +VAT	440	435	+5
Rajkot + VAT	428	426	+2
Delhi	415	418	-3

#### Forex Rates

(As on 4.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.84
European Union	Euro	57.02
Japan	100 Yen	37.99
United Kingdom	Pound Sterling	85.23

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Integrity 1	6,800	CPO	Expected
Kolkata	Hua Yun-5	6,500	CPO	Arrived
	O.Princess	1,000	CPO	Arrived
Tamil Nadu	Global Eros	10,800	Palm Oil	Arrived
	Khadijah	6,250	Palm oil	Expected

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