

VEGOIL DAILY

November 03rd, 2006

REFINE SOY OIL

FUNDAMENTAL MARKETS

Spot market prices of soy refined oil remained high on Thursday on improved demand of millers/crusher and stockiest to fill up their inventories. Still mills are lagging behind to its full capacity. SBM demand from exporters remains steady helped market to see upwardly movement. After 3 days closure Delhi market see the bullish trends on increase demand. Harvesting is likely to complete in coming days, this will lead to huge influx in the market. At few locations bad weather interrupted trading had bullish impact. During cloudy weather and occasional showers, humidity rises, its may disturb the drying process and there is always possibility of increase in moisture content of soybean. Positive tone in overseas market added the bullish impact in the spot market. Crude oil prices at NYMEX further decline but it remains clueless. CIF also increased lead to costlier landing cost of soy oil raised the domestic market. The CIF rate for refined soy oil for September-January shipment was further increased at \$643 on Thursday. Most of trading day, the domestic NCDEX market followed the upwardly trends as on CBOT.

PRICE DRIVERS:

1. Millers demand
2. Increasing Arrival Pressure
3. Harvesting in tailing position
4. Bullish tone of soybean futures on CBOT

Weather

Thick cloud over MP and major growing areas might interrupt harvesting process.

TECHNICALS

Opening bozu candlestick with upper shadow indicates strong bullish sentiments. Stochastic made bearish cross over indicating slight bearish sentiments indicating possible correction at this stage. The prices closed above 9 day and 18 day EMA indicating bullish market sentiments. MACD again moving up and likely hood of possible bullish cross over. Volume increased while OI remains almost steady with slight decline.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	427.3	429.5	431.5	434.9	436.8

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Buy Above 431.10; T1 433.00 and put stop loss at 430.00

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

Centres	2.11.06	1.11.06	Change
Mumbai (Soy Ref oil)+VAT	418	415	+3
Indore (Soy Ref oil)+VAT	407	404	+3
Kota (Soy Ref. Oil)+VAT	417	413	+4
Hyderabad (Soy Ref)+VAT	435	430	+5
Rajkot (Soy Ref)+Tax	412	411	+1

PALM OIL

International Highlights

BMD Crude Palm Oil Futures Finish Up

The most active contract of crude palm oil futures of January 07 up MYR44 to MYR1,736 on Thursday. This rise was result from trader's long terms anticipations. However, rising biodiesel demand added some support. Firm advice on rising soy oil futures on CBOT added the bullish tone. In addition to above total trade volume was also high, strengthens crude palm oil futures.

Domestic Spot Market Highlights

Spot market prices of palm oil increased on rising Crude palm oil futures on BMD. The continuous rising of FOB prices advocated price gains in palm oil. Many vessels are expected at different port to fuel more palm oil. The import duty on palm oil remains unchanged also supportive to its prices.

BMD: CPO Futures (2.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1639	1659	1683	1659	1674	+35	443
Dec.06	1660	1685	1711	1680	1708	+48	2533
Jan.07	1680	1696	1736	1696	1724	+44	12716
Feb.07	1692	1712	1743	1712	1735	+43	6478
Mar.07	1715	1727	1752	1727	1752	+37	1630

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	2.11.06	1.11.06	Change
Kandla CPO (5 % FFA)	390	390	0
Kandla RBD Palmolein +VAT	406	405	+1
Mumbai RBD Palmolein +VAT	422	420	+2
Chennai RBD Palmolein +VAT	444	438	+6
Kakinada RBD Palmolein +VAT	420	417	+3
Hyderabad RBD Palmolein	450	448	+2
Delhi RDB Palmolein	450	Closed	-

Rape/Mustard oil

Sentiments in mustard oil demand remained firm on most of locations on increasing demand from millers/crushers to meet future demand. Wednesday evening Nafed reduced its mustard seed prices to cover up millers demand. Nafed sold its mustard seed at Rs. 1725 per quintal for last year stock added bullish impact in the spot market. On rising demand traders are expecting increase in its prices.

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

Centres	2.11.06	1.11.06	Change
Mumbai (Exp. Oil) +VAT	431	428	+3
Kota (Expeller Oil)+VAT	408	395	+13
Jaipur (Expeller Oil)+VAT	415	400	+15
Delhi (Expeller Oil)	435	Closed	-
Neewai (Expeller Oil) +VAT	410	410	0

Groundnut Refine Oil

Groundnut refined oil prices remained range bound in most of the locations on steady demand and supply. Groundnut arrival kept steady but good demand for meal helped keeps bulls high in Rajkot. In Rajkot market shelled groundnut was quoted at Rs. 383/20kg. Weather is suitable for fieldwork for groundnut harvesting in Rajkot and arrival expected to further increase.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	2.11.06	1.11.06	Change
Mumbai +VAT	540	540	0
Rajkot +VAT	505	500	+5
Andhra Region +VAT	590	590	0
Chennai +VAT	560	560	0
Delhi	530	Closed	-

Sunflower Refine Oil

Sentiments of sunflower refined oil prices remained firm in the spot market on improved demand. Bad weather condition in southern peninsula is not good for sunflower as it might reduce the oil content. CIF prices also increased leads to costlier landing of oil had bullish impact. The CIF price of refined sunflower oil for September-January shipment was increased at \$ 663 on Thursday.

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

Centres	2.11.06	1.11.06	Change
Mumbai +VAT	520	520	0
Chennai +VAT	540	530	+10
Hyderabad VAT	540	530	+10

Cotton Refine Oil

Cotton refined oil prices increased in major spot markets on improved demand of millers and stockists. Arrival in market kept steady added bullishness. Firm tone in soy oil in overseas market also strengthens the spot market. Arrival is likely to decline in coming days, as weather is not supportive for fieldwork in few centres.

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

Centres	2.11.06	1.11.06	Change
Mumbai +VAT	424	427	-3
Hyderabad +VAT	440	430	+10
Rajkot + VAT	422	417	+5
Delhi	418	Closed	-

Forex Rates

(As on 2.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.93
European Union	Euro	57.32
Japan	100 Yen	38.34
United Kingdom	Pound Sterling	85.69

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Nord Farer	12,500	SBO	Arrived
Kolkata	Hua Yun-5	6,500	CPO	Arrived
	Laju Sejahtrea	5,000	CPO	Arrived
	O.Princess	1,000	CPO	Arrived
Chennai	Southern Unicorn	6,000	CPO	Arrived
Tamil Nadu	Global Eros	10,800	Palm Oil	Arrived
	Khadijah	6,250	Palm oil	Expected
Mumbai	Madura-III	5,005	Palm oil	Expected

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