

VEGOIL DAILY

November 30th, 2006

REFINED SOY OIL

FUNDAMENTALS

Since bird flu outbreak reported in South Korea, overseas market faced downfall after that, similar reflection seen in the domestic market. Weakness in crude palm oil at BMD futures and decline soy oil at CBOT futures overnight sealed the downward movement of domestic market. Although, some improvement is reported in CIF prices but it remains insufficient against others strong influencing factors. The refined soy oil CIF prices were quoted at \$714 for December shipment on Wednesday. Refined soy oil prices remains weak in domestic market on improve arrival over dull demand. Although, arrivals remains steady and adequate soy oil stock pushing market downward amidst less buyers. In consideration of prevailing higher prices, there will some steps likely to taken by Government to check inflation had some bearish impact. Impact of bird flu with follow-through physical demand and weakness in BMD crude palm oil futures, kept bears high at NCDEX soy oil futures and led to speculative selling during the trade-session.

PRICE DRIVERS:

1. Low soybeans prices
2. Weakness crude palm oil at BMD futures
3. Low domestic demand
4. Steady arrival pressure

Weather

Isolated rainfall liking over Madhya Pradesh expected to influence soybean arrival marginally and dry weather in rest of growing areas would support to arrivals.

TECHNICALS

The long filled body with short lower shadow candlestick indicated sellers remains dominant in the market. Stochastic are further progress downward crossed overbought regions. The prices come below 9 day EMA but still above 18 day EMA indicating low firmness in market. MACD after making bearish crossover running down. Although, volume increased slightly but OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	456	454	464.7	470	472

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Sell Below 466; T1 462, T2 460 and put stop loss at 468.

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

Centres	29.11.06	28.11.06	Cange
Mumbai (Soy Ref oil)+VAT	468	470	-2
Indore (Soy Ref oil)+VAT	448	454	-6
Kota (Soy Ref. Oil)+VAT	463	NA	-
Hyderabad (Soy Ref)+VAT	465	465	0
Rajkot (Soy Ref)+Tax	470	475	-5

PALM OIL

International Highlights

Crude Palm oil at BMD Futures Settle Weak

Weakness in soy oil at CBOT futures couple with lack of fresh fundamental development pushed crude palm oil at Bursa Malaysian Derivatives down. Most of the trade-session remains volatile on profit taking up to mid session and expectation of low export sales by SGS cargo added bears in the market. The most active contract February ended down MYR 9 at MYR 1,889 on Wednesday.

Domestic Spot Market Highlights

Palm oil demand reported weak in many centres supported low spot prices countrywide. Although, range bound prices reported in few locations on sufficient stock position. Weakness in crude palm oil at BMD futures had some bearish impact along lack of conformation on revision of palm group oil duty.

BMD: CPO Futures (29.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1865	1865	1865	1850	1850	-15	313
Jan.07	1892	1886	1895	1867	1888	-4	1503
Feb.07	1898	1893	1901	1870	1889	-9	8208
Mar.07	1901	1898	1904	1876	1897	-4	3484
Apr.07	1902	1896	1896	1880	1890	-12	152

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	29.11.06	28.11.06	Change
Kandla CPO (5 % FFA)	412	415	-3
Kandla RBD Palmolein +VAT	428	430	-2
Mumbai RBD Palmolein +VAT	449	452	-3
Chennai RBD Palmolein +VAT	450	457	-7
Kakinada RBD Palmolein +VAT	430	438	-8
Hyderabad RBD Palmolein	468	468	0
Delhi RDB Palmolein	475	475	0

Rape/Mustard oil

Mustard oil prices remained weak in spot market on dull domestic demand. The weak trends in other vegetable oil as well as low retail demand kept bears high in the market. Follow-through sentiments in most of centres kept prices range bound. Nafed improved mustard seed prices quoted at Rs. 1880 per quintal for last year stock but trader's hesitation in prevailing market conditions had some bearish impact.

Groundnut Refine Oil

Groundnut refined oil remains steady to weak in the spot market on mixed demand. In Delhi, little shortage strengths price gains whereas in few markets steady demand and supply kept prices range bound while in others sufficient release for short-gains kept bears high. In Rajkot, shelled groundnut was quoted at Rs.408/20 kg. In the current scenario, traders are expecting further fall in prices.

Sunflower Refine Oil

Weakness in other vegetable oils reflected on refined sunflower oil spot market nationwide. Although, CIF prices increased further but low physical demand checked any expected price movement. CIF prices of refined sunflower oil for December shipment were quoted at \$740 on Wednesday. Developments in overseas market and arrival pressure will be influencing factors in near terms.

Cotton Refine Oil

Sentiments of cotton refined oil price remained weak on down trends in the overseas market. In few markets exceeding supply to demand kept price low while in rest of locations balance in demand and supply kept prices range bound. Although, arrivals remains steady but low interest among traders had some bearish impact in domestic market. Traders are expecting further fall in price in order to restore trade activities.

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

Centres	29.11.06	28.11.06	Change
Mumbai (Exp. Oil) +VAT	468	472	-4
Kota (Expeller Oil)+VAT	NA	460	-
Jaipur (Expeller Oil)+VAT	NA	465	-
Delhi (Expeller Oil)	480	480	0
Neewai (Expeller Oil) +VAT	455	460	-5

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	29.11.06	28.11.06	Change
Mumbai +VAT	570	580	0
Rajkot +VAT	535	540	-5
Andhra Region +VAT	610	620	-10
Chennai +VAT	580	580	0
Delhi	580	570	+10

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

Centres	29.11.06	28.11.06	Change
Mumbai +VAT	595	595	0
Chennai +VAT	600	602	-2
Hyderabad +VAT	600	610	-10

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

Centres	29.11.06	28.11.06	Change
Mumbai +VAT	460	460	0
Hyderabad +VAT	455	460	-5
Rajkot + VAT	450	452	-2
Delhi	440	440	0

Forex Rates

(As on 29.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.65
European Union	Euro	58.96
Japan	100 Yen	38.59
United Kingdom	Pound Sterling	87.23

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Laju Sejahtera	4,500	CPO	Arrived
	Pacific Sound	6,500	CPO	Arrived
	Khadijah	5,900	CPO	Arrived
Mumbai	Pioneer Spirit-III	7,000	Palm Oil	Arrived
	Samho Heron	4,968	Palm oil	Arrived
	Star Dream	7,964	Palm oil	Expected
	MT ACE 7	6,070	Palm oil	Expected
Mundra	MT ACE 7	7,145	Palm oil	Expected
Turicorin	Spring Glory	7,300	Palm oil	Expected
Chennai	Spring Wind	5,200	CPO	Arrived

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