

VEGOIL DAILY

November 28th, 2006

REFINED SOY OIL

FUNDAMENTALS

Refined soy oil prices gains in the domestic market on rising domestic demand as well as highs at global markets. In the firm support of upcoming marriage season some additional buying supported the gains of spot market prices. Although, arrivals are declined in major growing areas along with strong millers demand, in addition with slow release from producer added bulls in the market. Firmness at overseas market reflected with same sentiments in the domestic market. Rising crude palm oil at BMD futures, Monday soy oil CBOT firm projections and spiralling CIF prices supported high refined soy oil prices nationwide. Refined soy oil prices were quoted at \$714 for December shipment on Monday. Although, crude oil prices were steady remains fails to influence domestic market. Some improvement in demand in physical market, high gains of crude palm oil at BMD futures and increased numbers of risk takers on Monday lead into speculative buying with bullish sentiments even after choppy trading during the trade-session at NCDEX soy oil futures.

PRICE DRIVERS:

1. Rising soybeans prices
2. Rise in CIF prices
3. Rising crude palm oil at BMD futures
4. Decline in soybean arrival

Weather

Dry weather in major producing areas, supportive to fresh arrival.

TECHNICALS

The small hollow body candlestick with upper shadow indicated strong buying pressure during the trade-session. Stochastic are moving downward but still prominent lying in the overbought regions. The prices closed just above 9 day and high above 18 day EMA indicating firmness in market. MACD showed moving smoothly towards upward. As compare to last day volume has increased but OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	465.0	468.0	474.0	477.0	479.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Sell Below 472.0; T1 470.0 and put stop loss at 473.0.

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

Centres	27.11.06	25.11.06	Change
Mumbai (Soy Ref oil)+VAT	474	470	+4
Indore (Soy Ref oil)+VAT	452	451	+1
Kota (Soy Ref. Oil)+VAT	470	465	+5
Hyderabad (Soy Ref)+VAT	470	465	+5
Rajkot (Soy Ref)+Tax	480	470	+10

PALM OIL

International Highlights

BMD Crude Palm oil Futures Ends Up

Influence of other markets and short covering helped crude palm oil to gains new height for the year. The most active contract February gains MYR 45 to MYR 1, 921 a metric ton. Rally in crude palm oil and gains in soy oil at CBOT futures support some gains. Although, SGS export estimations of palm oil was down by 7.4% for the period of Nov 1-25, failed to produce any negative impact under strong guiding forces of short covering.

Domestic Spot Market Highlights

Domestic palm oil market borrowed some momentum from rising crude palm oil prices at BMD futures and some improvement in domestic demand. Depleting stocks and steadiness added another bullish impact in the market. Traders are expecting change in import duty to restore proper trade activities again.

BMD: CPO Futures (27.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1885	1873	1930	1873	+52	1833	438
Jan.07	1916	1880	1958	1880	+58	1858	3828
Feb.07	1920	1894	1976	1894	+44	1876	16396
Mar.07	1927	1910	1982	1910	+45	1882	4480
Apr.07	1940	1915	1980	1915	+56	1884	347

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.11.06	25.11.06	Change
Kandla CPO (5 % FFA)	418	412	+6
Kandla RBD Palmolein +VAT	432	428	+4
Mumbai RBD Palmolein +VAT	453	450	+3
Chennai RBD Palmolein +VAT	460	455	+5
Kakinada RBD Palmolein +VAT	430	426	+4
Hyderabad RBD Palmolein	463	460	+3
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

Recent release highlighted rapeseed sowing declined to 5.7 million tons during Oct 1-Nov 24 against 6.2 million tons corresponding period last year had failed to produce any difference to yesterday demand/supply scenario and mustard oil remains steady in most of locations. In lack of any fundamental reason and only under influence of overseas market Neewai centres gains some momentum. Nafed down its mustard seeds prices to Rs. 1880 per quintal for last year stock. Traders are waiting to fall in prices in order to restore market activities.

Groundnut Refine Oil

Spot market prices of groundnut refined oil remains range bound on follow-through mood nationwide. Crushing these days is sufficient to support asked demand from market. Groundnut seed arrival declined marginally but low buying kept its prices steady. In Rajkot, shelled groundnut available at Rs.415/20 kg. Traders are expecting suspension trade activities in near terms.

Sunflower Refine Oil

Traders hesitated to import sunflower refined oil at exiting higher prices as arrival pressure is expecting in coming days curbed spot market prices. Continues gains in CIF prices lead into high landed cost of oil in the country supported shifting to other cheaper available oils. CIF prices of refined sunflower oil for December shipment were quoted at \$745 on Monday.

Cotton Refine Oil

Spot market prices of cotton refined oil remains weak to steady nationwide on steadiness of other vegetable oil support too along with weak trade activities. In few centres, steady arrival of cottonseed but low buying support brings its price down. In coming days, influence of other vegetable oil will determining factors to its price.

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

Centres	27.11.06	25.11.06	Change
Mumbai (Exp. Oil) +VAT	472	475	-3
Kota (Expeller Oil)+VAT	460	460	0
Jaipur (Expeller Oil)+VAT	468	468	0
Delhi (Expeller Oil)	490	490	0
Neewai (Expeller Oil) +VAT	457	452	+5

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	27.11.06	25.11.06	Change
Mumbai +VAT	580	580	0
Rajkot +VAT	547	550	-3
Andhra Region +VAT	630	630	0
Chennai +VAT	575	575	0
Delhi	570	570	0

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

Centres	27.11.06	25.11.06	Change
Mumbai +VAT	602	610	-8
Chennai +VAT	600	612	-12
Hyderabad +VAT	610	615	-5

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

Centres	27.11.06	25.11.06	Change
Mumbai +VAT	460	462	-2
Hyderabad +VAT	460	460	0
Rajkot + VAT	460	462	-2
Delhi	440	440	0

Forex Rates

(As on 27.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.64
European Union	Euro	58.62
Japan	100 Yen	38.50
United Kingdom	Pound Sterling	86.51

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Laju Sejahtera	4,500	CPO	Expected
	L.Star	6,000	CPO	Arrived
Manglore	Global Venus (MLI)	8,500	CPO	Arrived
Mumbai	Pioneer Spirit-III	7,000	Palm Oil	Expected
	Samho Heron	4,968	Palm oil	Expected
	Star Dream	7,964	Palm oil	Expected
Mundra	MT ACE 7	7,145	Palm oil	Expected
Turicorin	Spring Glory	7,300	Palm oil	Expected

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