

VEGOIL DAILY

November 10th, 2006

REFINE SOY OIL

FUNDAMENTAL MARKETS

Spot market prices of soy refined oil moved up on increasing domestic demand. Soybean arrival remained steady but millers demand is high to meet export meal orders. Emergence of new traders demand from other states remained supportive to price rise. From last couple of days, trade activities remains suspended in Delhi, resulting range bound prices. Isolated rainfall in Hyderabad interrupted trade activities and kept bulls high. Firm advice from the overseas market also provides some additional support to domestic market. Improvement in crude oil prices on NYMEX futures provided some additional support. High expectation of export figures to be release by USDA on Thursday support CBOT to finished high and influence is profound in domestic market in addition with positive tone on BMD futures. CIF prices improved further on Thursday claimed further increase in landing cost of soy oil. CIF rate for refined soy oil for December shipments was quoted at \$665. There is couple of factors like rising BMD futures, positive note on CBOT and rising crude oil prices resulting speculative buying on NCDEX futures throughout the trading day.

PRICE DRIVERS:

1. Decreasing arrival pressure
2. Improving millers demand
3. Rising in crude oil futures
4. Improvement in CIF Prices

Weather

Wide spread rainfall is likely in costal Andhra Pradesh and isolated rain in some part of south peninsula might effect sunflower, and cotton crop (harvest in progress).

TECHNICALS

Long body un-filled candlestick indicates bullish market sentiments
Stochastic heading southwards indicating bearish market sentiments
RSI indicating firmness as curving up for possible bullish cross over
The prices closed above 9 day and 18 day EMA indicating firmness
MACD improved and curving up for bullish cross over. Volume improve while OI remain steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	443.10	445.50	447.90	449.80	451.60

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Buy above 447.00; T1 449.00 and put stop loss at 446.00.

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

Centres	9.11.06	8.11.06	Change
Mumbai (Soy Ref oil)+VAT	420	419	+1
Indore (Soy Ref oil)+VAT	407	404	+3
Kota (Soy Ref. Oil)+VAT	420	416	+4
Hyderabad (Soy Ref)+VAT	442	437	+5
Rajkot (Soy Ref)+Tax	425	424	+1

PALM OIL

International Highlights

Crude Palm oil Futures on BMD Settled High

There is expectation of increase in export figures to be released on November 10 by SGS Cargo, helped market to recovered from latest losses. The most active contract of January ended up at MYR13 at MYR1,687 per metric ton. Increasing Soy oil futures on CBOT and high crude oil prices in International market resulting improve demand in biodiesel managed to support CPO futures.

Domestic Spot Market Highlights

Sentiments in palm oil demand remained mixed in the spot market on variation in demand. Weather conditions are remains supportive to bring up some demand in few locations and support price rise. Holding of proper stock positions keeps the prices range bound in other centres. Few vessels are expected to fuelling more palm oil in the nation.

BMD: CPO Futures (9.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1645	1640	1660	1640	1651	+6	296
Dec.06	1654	1653	1680	1653	1666	+12	1420
Jan.07	1674	1684	1701	1673	1687	+13	6892
Feb.07	1683	1692	1711	1682	1697	+14	2417
Mar.07	1695	1697	1717	1697	1716	+21	92

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	9.11.06	8.11.06	Change
Kandla CPO (5 % FFA)	390	390	0
Kandla RBD Palmolein +VAT	406	407	-1
Mumbai RBD Palmolein +VAT	423	422	+1
Chennai RBD Palmolein +VAT	442	440	+2
Kakinada RBD Palmolein +VAT	415	415	0
Hyderabad RBD Palmolein	450	447	+3
Delhi RDB Palmolein	455	455	0

Rape/Mustard oil

Spot market prices of mustard oil remained bearish on low demand. Mustard seed demand is improving from millers to meet high meal demand lead into huge influx of its oil. Delhi market remains range bound on lack of trade activities. In the light of increasing millers demand, Nafed improved its mustard seed prices and last year stock available at Rs. 1715 per quintal. Traders are expecting some improvement in prices in coming days.

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

Centres	9.11.06	8.11.06	Change
Mumbai (Exp. Oil) +VAT	440	442	-2
Kota (Expeller Oil)+VAT	418	419	-1
Jaipur (Expeller Oil)+VAT	424	425	-1
Delhi (Expeller Oil)	430	430	0
Neewai (Expeller Oil) +VAT	NA	408	-

Groundnut Refine Oil

There is good supply of groundnut refined oil to other states helped major producing areas to remained bullish in its prices. In some centres isolated rainfall interrupted trading and strengthen last prices. In Rajkot market shelled groundnut kept steady and quoted at Rs. 390/20kg. There is bullish sentiments in prices is expected in near terms.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	9.11.06	8.11.06	Change
Mumbai +VAT	550	545	+5
Rajkot +VAT	515	510	+5
Andhra Region +VAT	620	610	+10
Chennai +VAT	580	580	0
Delhi	530	530	0

Sunflower Refine Oil

Steady demand and supply scenario of sunflower refined oil kept the price range bound in major centres. Although, weather had profound effect on sunflower crop as it might discolour the seed and hamper the oil content and southern part has the standing crop and is more prone to bad weather conditions these days, some how support oil prices in Chennai. Some additional support also came from increase in CIF rates of sunflower refined oil, which quoted at \$700 for December shipment.

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

Centres	9.11.06	8.11.06	Change
Mumbai +VAT	550	550	0
Chennai +VAT	572	570	+2
Hyderabad VAT	565	565	0

Cotton Refine Oil

Cotton refined oil prices likely to follow same trends as in soy oil. Rising soy oil in overseas market provided some support and little decline in arrival added the bullishness in the spot market. These days, cotton harvest in the half way in major producing areas that result in fluctuations in arrival had another bullish impact. Its prices likely to follows the same trends as in soy oil in overseas market.

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

Centres	9.11.06	8.11.06	Change
Mumbai +VAT	432	429	+3
Hyderabad +VAT	442	437	+5
Rajkot + VAT	433	430	+3
Delhi	420	420	0

Forex Rates

(As on 9.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.65
European Union	Euro	56.98
Japan	100 Yen	37.88
United Kingdom	Pound Sterling	85.03

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Integrity 1	8,800	CPO	Arrived
	M.T. Chemroad Echo	21,000	Palm oil	Expected
Tuticorin	Khadijah	6,250	Palm oil	Arrived
Chennai	L.Star	2,100	CPO	Arrived
	Olympic	5,500	CPO	Expected
Mumbai	Chem Bridge	4,500	Palm oil	Expected

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