

VEGOIL DAILY

November 2nd, 2006

REFINE SOY OIL

FUNDAMENTAL MARKETS

Sentiments for soy refined oil prices remained weak in the spot market on weaker demand compare to Tuesday. Exporter's SBM demand significantly improved from last few days this lead to increase in crushing resulting high soy oil influx in market. Arrival likely to increases further in coming days on suitable weather situation for harvesting. No trade activity seen in Delhi as most of market remained closed in protest against sealing. The weak soy oil futures on CBOT on the basis of tailing harvesting and weak in other grains added another bearish impact on domestic market. Landing cost of soy oil is increased on gains in CIF prices remained clueless in the spot market. The crude oil prices increased also unsupportive on already high stock position nationwide. The CIF rate for refined soy oil for September-January shipment was increased at \$638 on Wednesday. The domestic NCDEX market followed the same trends as on CBOT in most of trading day. In last-session, market recovered on the ideas of short covering.

PRICE DRIVERS:

1. Millers demand
2. Increasing Arrival Pressure
3. Harvesting in Progress
4. Bearish tone of soybean futures on CBOT

Weather

Thick cloud over SE region of MP and few places in Maharastra might not lead any serious impact on harvesting.

TECHNICALS

Bearish open bozu candlestick indicates bearish market sentiments. Stochastic made bearish cross over indicating slackness into the market condition. The prices closed inbetween 9 day and 18 day EMA indicating indecisive market sentiments. MACD made bearish cross over indicating possible trend change. Volume decline while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Nov.	422.8	424.0	427.9	429.1	430.5

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:
Sell Below 427.40; T1 425.60 and put stop loss at 428.50

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

Centres	1.11.06	31.10.06	Change
Mumbai (Soy Ref oil)+VAT	415	417	-2
Indore (Soy Ref oil)+VAT	404	405	-1
Kota (Soy Ref. Oil)+VAT	413	415	-2
Hyderabad (Soy Ref)+VAT	430	433	-3
Rajkot (Soy Ref)+Tax	411	411	0

PALM OIL

International Highlights

BMD Crude Palm Oil Futures End High

The most active contract of January 07 gains MYR19 to MYR1,680 on Wednesday on choppy trading day. Crude palm oil market recovered after recent losses on Tuesday mainly on ideas of short covering. Speculative buying also helped market to gain some momentum. Market showed the sensitivity to slightly increase in crude oil supported biodiesel demand and overall impact of above factors was gaining in CPO futures.

Domestic Spot Market Highlights

Sentiments remained mixed for palm oil demand in domestic market. However firm advice in overseas market helped in gaining in palm oil price in few markets. Weather was not very supportive for trading in Chennai market helped market to rise to some extent. The some increases in demand also come from Vanaspati makers.

BMD: CPO Futures (1.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1622	1605	1644	1605	1639	+17	271
Dec.06	1643	1636	1667	1632	1659	+16	2515
Jan.07	1661	1650	1690	1650	1680	+19	9130
Feb.07	1673	1663	1703	1663	1691	+18	2301
Mar.07	1696	1685	1715	1684	1715	+19	244

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	1.11.06	31.10.06	Change
Kandla CPO (5 % FFA)	390	391	-1
Kandla RBD Palmolein +VAT	405	406	-1
Mumbai RBD Palmolein +VAT	420	419	+1
Chennai RBD Palmolein +VAT	438	436	+2
Kakinada RBD Palmolein +VAT	417	417	0
Hyderabad RBD Palmolein	448	448	0
Delhi RDB Palmolein	Closed	Closed	-

Rape/Mustard oil

Spot market prices for mustard oil remained weak to steady on low demand in most of centres. At few locations Nafed further increased its mustard seed prices to offset rising demand. Nafed sold its mustard seed at Rs. 1725 per quintal for old stock and at Rs. 1775 per quintal for last year stock. Traders are expecting bullish trends in coming days on emergence of fresh demand.

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

Centres	1.11.06	31.10.06	Change
Mumbai (Exp. Oil) +VAT	428	428	0
Kota (Expeller Oil)+VAT	395	395	0
Jaipur (Expeller Oil)+VAT	400	404	-4
Delhi (Expeller Oil)	Closed	Closed	-
Neewai (Expeller Oil) +VAT	410	405	+5

Groundnut Refine Oil

Sentiments remained bearish for groundnut refined oil on increasing arrival in few locations. Bearish tone of soy oil in overseas market further helped its prices to remains weak. Sufficient stock position witnessed the range bound prices in Mumbai and Chennai. In Rajkot market shelled groundnut was quoted at Rs. 382/20kg. Arrivals likely to further increase in coming days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	1.11.06	31.10.06	Change
Mumbai +VAT	540	540	0
Rajkot +VAT	500	511	-11
Andhra Region +VAT	590	580	+10
Chennai +VAT	560	560	0
Delhi	Closed	Closed	-

Sunflower Refine Oil

Weaker demand for refined sunflower oil prevailed in most of centres resulted low to steady prices. However arrival remained low to yesterday offset demand in the market. The steady CIF prices remains ineffective to bring about any change. As weather is not suitable for fieldwork and might increases moisture content in coming crop. The CIF price of refined sunflower oil for September-January shipment was quoted at \$ 635 on Wednesday.

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

Centres	1.11.06	31.10.06	Change
Mumbai +VAT	520	512	+8
Chennai +VAT	530	535	-5
Hyderabad VAT	530	530	0

Cotton Refine Oil

Arrival of cotton improved in major growing areas ease the demand pressure. Shifting to other profitable vegetable oil further weak its price in above arrival status. Cotton arrival is likely to pick up in coming days as weather suitable for fieldwork.

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

Centres	1.11.06	31.10.06	Change
Mumbai +VAT	427	427	0
Hyderabad +VAT	430	435	-5
Rajkot + VAT	417	422	-5
Delhi	Closed	Closed	-

Forex Rates

(As on 1.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.93
European Union	Euro	57.34
Japan	100 Yen	38.41
United Kingdom	Pound Sterling	85.71

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Nord Farer	12,500	SBO	Arrived
Kolkata	Vernal Grace	6,000	CPO	Arrived
	Frabandari	7,300	CPO	Arrived
	Matina	6,500	CPO	Arrived
	Laju Sejahtrea	5,000	CPO	Arrived
	O.Princess	6,000	CPO	Arrived
Chennai	Southern Unicorn	6,000	CPO	Arrived
Tamil Nadu	Global Eros	10,800	Palm Oil	Expected
	Khadijah	6,250	Palm oil	Expected
Mumbai	Madura-III	5,005	Palm oil	Expected

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