

VEGOIL DAILY

November 21th, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot market prices of refined soy oil remained firmed in domestic market on high demand as well skyrocketing of crude palm oil prices on BMD futures. Emergences of new demand and slightly shortage to desire requirement supported prices improvement in the in major producing areas. In addition, nil arrival is reported in Indore market as market remains closed due to Amavasya, had some bullish impact. Firm projections of soy oil on CBOT futures provide underlying support. Rally in corn and soybeans in overseas market helped BMD futures to remained firmed and same effect replicated in domestic market. Additional support came from gains in CIF prices, which is around \$11 to Saturday prices kept bulls high in the spot market. CIF prices of December shipments quoted at \$695 on Monday. In prevailing conditions traders remained clueless and still in wait and watch situation. A couple of factors like strong soy oil projection on CBOT futures for Monday, sky touching of crude palm oil prices on BMD futures kept speculative buying high on NCDEX futures through out trade day. This kept soy oil bullish on Monday.

PRICE DRIVERS:

1. Decline in arrival pressure
2. Firm projection of soy oil on CBOT futures
3. Improvement in CIF prices
4. Sky-rocketing of crude palm oil on BMD futures
5. Weak crude oil prices

Weather

Mainly dry weather in major producing areas, which is supportive to add further soybeans in the market.

TECHNICALS

Long hollow candlesticks indicated that strong buying pressure during the trade session. Stochastic moving from bearish crossover and moving further to make bearish crossover. The prices closed high above 9 day and 18 day EMA indicating firmness in the market. MACD heading smoothly upwards from bullish cross over. Volume increased significantly and OI also increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	458.0	466.0	474.0	478.0	483.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Buy above 471.00; T1 473.00 and put stop loss at 470.00.

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

Centres	20.11.06	18.11.06	Change
Mumbai (Soy Ref oil)+VAT	451	444	+7
Indore (Soy Ref oil)+VAT	438	433	+5
Kota (Soy Ref. Oil)+VAT	NA	444	-
Hyderabad (Soy Ref)+VAT	465	455	+10
Rajkot (Soy Ref)+Tax	450	445	+5

PALM OIL

International Highlights

BMD Crude Palm Oil Ends High on Friday

Crude palm oil daily upward prices limit had reached on Monday on rally in other commodities like Soybeans and Corn. Market ignored the weak export sales data released on Nov 20 by SGS cargo surveyor for the period of Nov 1-20. The support also came from decline in palm oil production and optimism for long terms demand mainly from biodiesel sector as well as from Argentina's ban of corn export. The most active contract of crude palm oil of February 2007 on Bursa Malaysian Derivatives jumped to MYR100 to MYR1,864 on Monday.

Domestic Spot Market Highlights

Sentiments of palm oil prices remained firmed in the spot market on good demand as well as spiralling crude palm oil price on BMD futures. The deplete stock in domestic market and sluggish interest over new import orders at these high prices seated market high.

BMD: CPO Futures (20.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1725	1755	1846	1755	1825	+100	530
Jan.07	1750	1768	1850	1768	1850	+100	3129
Feb.07	1764	1795	1864	1795	1864	+100	9619
Mar.07	1773	1757	1873	1757	1873	+100	1568
Apr.07	1779	1825	1879	1825	1879	+100	153

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	20.11.06	18.11.06	Change
Kandla CPO (5 % FFA)	408	400	+8
Kandla RBD Palmolein +VAT	414	414	0
Mumbai RBD Palmolein +VAT	440	430	+10
Chennai RBD Palmolein +VAT	450	440	+10
Kakinada RBD Palmolein +VAT	430	420	+10
Hyderabad RBD Palmolein	462	454	+8
Delhi RDB Palmolein	475	475	0

Rape/Mustard oil

Mustard oil prices remained steady to bullish in the spot market on mixed demand in the domestic market. The steady demand/supply situation kept most of market range bound. Firmness in overseas market supported its prices in Mumbai market. Nafed further improved its mustard seed prices, which available at Rs. 1875 per quintal for last year stock. In current situations, traders are expecting suspended trade activities in coming days.

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

Centres	20.11.06	18.11.06	Change
Mumbai (Exp. Oil) +VAT	462	456	+6
Kota (Expeller Oil)+VAT	445	445	0
Jaipur (Expeller Oil)+VAT	452	452	0
Delhi (Expeller Oil)	475	475	0
Neewai (Expeller Oil) +VAT	445	440	+5

Groundnut Refine Oil

Groundnut refined oil prices remained firmed on rising demand in the domestic market. Gn oil prices are following soy oil prices these days, which improved significantly and turned groundnut refined oil high. In Rajkot market shelled groundnut moved further and quoted at Rs. 405/20kg. In the current situation its prices are much more depend upon trends in overseas market.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	20.11.06	18.11.06	Change
Mumbai +VAT	565	560	+5
Rajkot +VAT	533	530	+3
Andhra Region +VAT	650	640	+10
Chennai +VAT	570	570	0
Delhi	600	590	+10

Sunflower Refine Oil

Depleting stock of sunflower refined oil as well as continuous rise of CIF prices, inconsistent arrival and steady demand strengths its prices in the domestic market. CIF prices of sunflower refined oil for December Shipment shoot up and quoted at \$720 on Monday. On continuous rising CIF prices traders are expecting further improvement in its prices.

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

Centres	20.11.06	18.11.06	Change
Mumbai +VAT	580	575	+5
Rajkot +VAT	600	590	+10
Hyderabad VAT	600	595	+5

Cotton Refine Oil

Cotton refined oil demand remained firmed supported its prices to increase in the spot market. The low output of oil in comparison to desire demand had some bullish impact. This year oilseed acreage is likely to down opened up stockiest demand to fetch good returns in off-session. In current scenario of demand and international market, traders are expecting further improvement in prices.

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

Centres	20.11.06	18.11.06	Change
Mumbai +VAT	450	447	+3
Hyderabad +VAT	455	445	+10
Rajkot + VAT	455	450	+5
Delhi	445	440	+5

Forex Rates

(As on 20.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.86
European Union	Euro	57.89
Japan	100 Yen	38.04
United Kingdom	Pound Sterling	84.97

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Chemroad Echo	21,000	Palm oil	Arrived
Kolkata	Marida Prince	6,850	CPO	Expected
Manglore	Coromandel (MLI)	6,988	Palm oil	Expected
	Cheras	5,999	CPO	Expected

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