

## VEGOIL DAILY

November 16<sup>th</sup>, 2006

### REFINED SOY OIL

#### FUNDAMENTALS

Spot market prices of refined soy oil remained high on the account of good demand from retail market as well as from other consuming states. Millers demand slightly improved in comparison to yesterday had bullish impact. In addition soybean arrival decline a little further strengthen demand part. However crude oil prices slightly improved, which boosted biodiesel demand in global market added another bullish impact in the market. High ending of soy oil on CBOT and crude palm oil on BMD future, which is the highest since 2004 supported domestic market to flourish. CIF prices of Refined soy oil jumped again and influencing domestic market to stay firm. CIF prices of December shipments quoted at \$679 on Wednesday. Domestic market will be keeping tracks of development in overseas market in near terms. Influence of international market will be dominant in coming days. Tuesday high soy oil on CBOT futures and the highest crude palm oil on BMD futures turned into speculative buying and kept NCDEX futures bullish.

#### PRICE DRIVERS:

1. Decrease arrival pressure
2. Increased millers demand
3. High CBOT soy oil futures
4. Rising soy oil CIF prices

#### Weather

Mainly dry weather in central regions, which is supportive to add further arrival in the market.

#### TECHNICALS

Long hollow candle indicating price advanced significantly from open to close and buyers are aggressive. Stochastic made the bearish cross over The prices closed above 9 day and 18 day EMA indicating firmness in the market. MACD heading smoothly towards northeastwards from bullish cross over. Volume increased significantly while OI marginally declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	450.5	455.6	460.8	464.3	467.8

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:  
**Buy** above 459.50; T1 461.50 and put stop loss at 458.40.

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

Centres	15.11.06	14.11.06	Change
Mumbai (Soy Ref oil)+VAT	443	437	+6
Indore (Soy Ref oil)+VAT	425	420	+5
Kota (Soy Ref. Oil)+VAT	447	433	+14
Hyderabad (Soy Ref)+VAT	455	450	+5
Rajkot (Soy Ref)+Tax	440	438	+2

## PALM OIL

### International Highlights

#### Crude Palm oil Futures on BMD Ends Sharp High

Short Covering and speculative buying turned most active contract of January crude palm oil at BMD futures steeped up MYR52 at MYR1, 741 per metric ton the highest since May 2004. There is not an excitement over export sales data released by cargo surveyor SGS on Nov 15 highlighted export down by 4.9% during Nov 1-15 against Oct 1-15. High soy oil on CBOT futures provided additional support to the market.

### Domestic Spot Market Highlights

The great acceleration on crude palm oil on BMD futures replicated with same trends in the domestic market. Although, palm oil import declined in the domestic market and slow release from stockiest strengthen its prices. Importers are waiting for the optimum time to place order in current market situations.

#### BMD: CPO Futures (15.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1654	0	0	0	1654	0	0
Dec.06	1668	1685	1739	1685	1717	+49	1965
Jan.07	1689	1710	1764	1704	1741	+52	9940
Feb.07	1700	1717	1775	1715	1754	+54	8568
Mar.07	1714	1729	1785	1729	1780	+66	1565

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	15.11.06	14.11.06	Change
Kandla CPO (5 % FFA)	395	394	+1
Kandla RBD Palmolein +VAT	411	411	0
Mumbai RBD Palmolein +VAT	430	424	+6
Chennai RBD Palmolein +VAT	441	437	+4
Kakinada RBD Palmolein +VAT	420	418	+2
Hyderabad RBD Palmolein	455	450	+5
Delhi RDB Palmolein	440	450	-10

#### Rape/Mustard oil

Mustard oil prices headed towards bullish mood in the spot market on the support of high demand. Depleting stocks and less interest to fill their inventories results in price jump in Delhi. Nafed further increased its mustard seed prices, which is Rs. 1810 per quintal for old stock and Rs. 1850 per quintal last year stocks, offset stockiest demand. Traders are expecting mustard oil prices will follow the same prices trends as in mustard seed in coming days.

#### Groundnut Refine Oil

Sentiments of groundnut refined oil prices repeated with the same spirit as on Tuesday. Most of market remained range bound on steady demand and supply scenario. Emergence of new demand in few locations firmed the spot market. In Rajkot market shelled groundnut kept steady and quoted at Rs. 395/20kg. The steady to improved prices trends expected in near terms.

#### Sunflower Refine Oil

Sunflower refined oil prices remained bullish in the spot market on firmness in the overseas market. This year sunflower acreage is reduced to 6.39 lakh hectare till November 9 against 8.43 lakh hectare last year also had bullish impact. CIF rates of sunflower refined oil for December shipment quoted at \$708 on Wednesday. It likes that sunflower refined oil prices will move accordingly to advise of overseas market.

#### Cotton Refine Oil

Cotton refined oil demand remained firmed in the domestic market resulting upwardly trends in prices. Firmness in the overseas market added bullishness in addition with steady arrival pressure. Traders are expecting price trends of other vegetable oil will be influence strongly its prices in coming days.

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

Centres	15.11.06	14.11.06	Change
Mumbai (Exp. Oil) +VAT	448	448	0
Kota (Expeller Oil)+VAT	425	421	+4
Jaipur (Expeller Oil)+VAT	425	430	-5
Delhi (Expeller Oil)	465	442	+23
Neewai (Expeller Oil) +VAT	435	NA	-

#### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	15.11.06	14.11.06	Change
Mumbai +VAT	560	560	0
Rajkot +VAT	525	525	0
Andhra Region +VAT	650	640	+10
Chennai +VAT	560	560	0
Delhi	NA	530	-

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

Centres	15.11.06	14.11.06	Change
Mumbai +VAT	568	565	+3
Rajkot +VAT	570	575	-5
Hyderabad VAT	585	570	+15

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

Centres	15.11.06	14.11.06	Change
Mumbai +VAT	442	445	-3
Hyderabad +VAT	455	450	+5
Rajkot + VAT	440	436	+4
Delhi	440	435	+5

#### Forex Rates

(As on 15.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.34
European Union	Euro	58.05
Japan	100 Yen	38.45
United Kingdom	Pound Sterling	85.82

**PORT-WATCH (Latest):**  
**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Integrity	6,800	CPO	Arrived
	M.T. Chemroad Echo	21,000	Palm oil	Expected
Chennai	Stolt Sincerity	9,000	Sunflower oil	Expected
Mumbai	Chem Bridge	4,500	Palm oil	Arrived

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