

VEGOIL DAILY

November 27th, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot market prices of refined soy oil remained firm nationwide on exceeding demand to supply against yesterday. Market is optimistic to higher prices in off-session support new buying and sees upward prices movement. In major growing areas rising soybeans prices helped to market to stay in firm tune. In few centres, little shortage accounted for price improvement while, in Hyderabad, flaccid demand witnessed fall in prices. Rising CBOT soy oil futures provided firm direction to domestic market in spite of closure of BMD crude palm oil futures. Improvement in crude oil and CIF prices added another bulls in the market. CIF prices improved during the week about \$ 22, which had significant positive impact on domestic market. CIF prices of refined soy oil were quoted at \$707 for December shipment on Saturday. Low demand in physical market, closure of BMD futures and lack of risk taker on Saturday lead into speculative selling with constantly depleting volume results strong bearish sentiments, ends with speculative selling during trade-session at NCDEX soy oil futures.

PRICE DRIVERS:

1. Rising soybeans prices
2. Rise in CIF prices
3. Firmness in CBOT soy oil futures
4. Improvement in crude oil prices

Weather

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

TECHNICALS

The small filled body candlestick with nearly equal upper and lower shadow indicates robust trade activity of indecisiveness between buyers and sellers during trade-session. Stochastic are in overbought regions and moving to downward direction after making bearish crossover. The prices closed just above 9 day and 18 day EMA indicating still firmness in market. MACD showed slightly downward movement. As compare to last day both volume and OI are declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	466.0	468.0	469.25	474.0	476.0

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	25.11.06	24.11.06	Change
Mumbai (Soy Ref oil)+VAT	470	468	+2
Indore (Soy Ref oil)+VAT	451	448	+3
Kota (Soy Ref. Oil)+VAT	465	460	+5
Hyderabad (Soy Ref)+VAT	465	470	-5
Rajkot (Soy Ref)+Tax	462	458	+4

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Spot market prices of palm oil remained mixed in domestic market on miscellaneous demand. In proper stock position and no change in demand kept most of market range bound. Many vessels are expected to fuel more palm oil in the country had some bearish impact.

BMD: CPO Futures (24.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1793	1810	1846	1805	1833	+40	250
Jan.07	1810	1808	1873	1801	1855	+45	1454
Feb.07	1836	1822	1891	1822	1876	+40	11010
Mar.07	1844	1845	1900	1843	1888	+44	1721
Apr.07	1848	1880	1900	1878	1884	+36	171

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	25.11.06	24.11.06	Change
Kandla CPO (5 % FFA)	412	408	+4
Kandla RBD Palmolein +VAT	428	428	0
Mumbai RBD Palmolein +VAT	450	451	-1
Chennai RBD Palmolein +VAT	455	455	0
Kakinada RBD Palmolein +VAT	426	430	-4
Hyderabad RBD Palmolein	460	463	-3
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

Mustard oil prices remained range bound in most of locations on steady demand/supply. In expectations of fall in prices in coming days, slow progress of stocking is reported strengthens steady prices. Also, there is no change in millers demand is reported, helped its prices to stay range bound. Nafed further improved its mustard seed prices and quoted at Rs. 1890 per quintal for last year stock.

Groundnut Refine Oil

At the prevailing higher prices of groundnut refined oil, no change in demand is noticed and prices remains steady. Some improvement in arrival in Chennai market witnessed fall in prices. In Rajkot, shelled groundnut available at Rs. 415/20kg in support of low arrival to yesterday. Traders are expecting steady prices in coming days on lacklustre demand.

Sunflower Refine Oil

Lack of demand in most of centres helped sunflower refined oil prices to remains at steady prices. No change in CIF prices as well as steady prices in other vegetable oil sealed the steadiness. CIF prices of sunflower refined oil for December shipment quoted at \$740 on Saturday. Trends in other vegetable oils will be determining factors in coming days.

Cotton Refine Oil

Spot market prices of cotton refined oil remains steady on balance in demand/supply and lack of fresh fundamental development nationwide. Cottonseed arrivals are also remains steady supported the steadiness. Movement of international market will be influencing factors in near terms.

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

Centres	25.11.06	24.11.06	Change
Mumbai (Exp. Oil) +VAT	475	475	0
Kota (Expeller Oil)+VAT	460	460	0
Jaipur (Expeller Oil)+VAT	468	465	+3
Delhi (Expeller Oil)	490	490	0
Neewai (Expeller Oil) +VAT	452	452	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	25.11.06	24.11.06	Change
Mumbai +VAT	580	580	0
Rajkot +VAT	550	550	0
Andhra Region +VAT	630	630	0
Chennai +VAT	575	580	-5
Delhi	570	570	0

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

Centres	25.11.06	24.11.06	Change
Mumbai +VAT	610	615	-5
Chennai +VAT	612	612	0
Hyderabad +VAT	615	615	0

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

Centres	25.11.06	24.11.06	Change
Mumbai +VAT	462	462	0
Hyderabad +VAT	460	460	0
Rajkot + VAT	462	460	+2
Delhi	440	440	0

Forex Rates

(As on 25.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.70
European Union	Euro	58.52
Japan	100 Yen	38.58
United Kingdom	Pound Sterling	86.34

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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