

VEGOIL DAILY

November 29th, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot market prices of refined soy oil remained weak in most of locations on improvement of soybean arrival and low demand in domestic market. Although, millers demand remains steady but exceeding arrival to supply had some bearish impact. In expectation of further fall of soy oil prices in coming days and to get short gains, stockist released significant oil results fall in prices. Marginally improvement in crude oil prices failed to bring about any positive change on weakness in crude palm oil at BMD futures and weak soy oil CBOT projections for Tuesday. There is significant drop in refined soy oil CIF prices also pressurizing spot market prices to downward directions and quoted at \$712 for December shipment on Tuesday. A couple of factors like low physical demand, weak CBOT soy oil projections for Tuesday and BMD crude palm oil futures and likely to revise up base import prices kept bearish high at NCDEX soy oil futures and results into speculative selling during the trade-session.

PRICE DRIVERS:

1. Weak soybeans prices
2. Declined in CIF prices
3. Down crude palm oil at BMD futures
4. Improvement in soybean arrival
5. Short gains by stockists.

Weather

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

TECHNICALS

The long filled body with short upper and lower shadow candlestick indicated seller's dominance during the trade day. Stochastic are progress to downwards approaching to overbought regions. The prices touched 9 day EMA and still above 18 day EMA indicating firmness in market. MACD are moving smoothly approaching to make bearish cross over. As compare to Monday volume has increased but OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	464	466	469.15	477	479

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Sell Below 473; T1 471 and put stop loss at 474.

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

Centres	28.11.06	27.11.06	Change
Mumbai (Soy Ref oil)+VAT	470	474	-4
Indore (Soy Ref oil)+VAT	454	452	+2
Kota (Soy Ref. Oil)+VAT	NA	470	-
Hyderabad (Soy Ref)+VAT	465	470	-5
Rajkot (Soy Ref)+Tax	475	480	-5

PALM OIL

International Highlights

BMD Crude Palm oil Futures Finish Down

The most active contract of February ended sharply MYR 23 at MYR 1,898 per metric ton. Choppy trading during the trade-session, profit booking and lack of any clear direction witnessed fall in crude palm oil prices. Although, market is still in bullish mood over long terms demand from big buyers countries likes India and China and rising biodiesel demand.

Domestic Spot Market Highlights

Spot market prices of palm oil remains volatile in the domestic market on mixed demand. In few markets hefty stock position had some bearish impact in the market, while some improvement in demand flourished palm oil prices in rest of locations. Many vessels are expecting to fuel more oil nationwide.

BMD: CPO Futures (28.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1885	1876	1902	1862	1863	-22	124
Jan.07	1916	1900	1933	1888	1888	-28	2273
Feb.07	1921	1916	1935	1894	1898	-23	11997
Mar.07	1927	1927	1939	1901	1901	-26	3497
Apr.07	1930	1928	1930	1901	1902	-28	120

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	28.11.06	27.11.06	Change
Kandla CPO (5 % FFA)	415	418	-3
Kandla RBD Palmolein +VAT	430	432	-2
Mumbai RBD Palmolein +VAT	452	453	-1
Chennai RBD Palmolein +VAT	457	460	-3
Kakinada RBD Palmolein +VAT	438	430	+8
Hyderabad RBD Palmolein	468	463	+5
Delhi RDB Palmolein	475	470	+5

Rape/Mustard oil

Spot market prices of mustard oil prices remains mixed on lacklustre demand in most of centres. In few locations steady demand/supply scenario kept prices range bound while low demand from crushers, in prevailing high mustard seed prices pressurizing Neewai market and rest of market witnessed heavy influx of mustard oil against market demand pushed market down. Tuesday, Nafed mustard seed available at Rs. 1870 per quintal for last year stock. Traders are expecting further fall in prices in current scenario.

Groundnut Refine Oil

Weakness in domestic demand supported fall in groundnut refined oil spot market prices. The bearish impact of overseas market is high and pressurizing domestic market downwards. Arrival improved a little, which added bears under steady demand. In Rajkot, shelled groundnut available at Rs.410/20kg. According to trade sources, market may experience further fall in prices in prevailing situations.

Sunflower Refine Oil

Refined sunflower oil CIF prices declined significantly, witnessed fall in spot market prices in few markets. Steady demand to supply kept Hyderabad market range bound. CIF prices of refined sunflower oil for December shipment were quoted at \$728 on Tuesday. Arrival pressure will like to determine prices movement in coming days.

Cotton Refine Oil

Cotton refined oil remains steady in the spot market prices on follow-through sentiments. Improved arrivals of cottonseed in few markets and weakness in other vegetable oils influenced cotton oil prices to fall down. Developments in overseas market and arrival pressure will be influencing factors in near terms.

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

Centres	28.11.06	27.11.06	Change
Mumbai (Exp. Oil) +VAT	472	472	0
Kota (Expeller Oil)+VAT	460	460	0
Jaipur (Expeller Oil)+VAT	465	468	-3
Delhi (Expeller Oil)	480	490	-10
Neewai (Expeller Oil) +VAT	460	457	+3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	28.11.06	27.11.06	Change
Mumbai +VAT	580	580	0
Rajkot +VAT	540	547	-7
Andhra Region +VAT	620	630	-10
Chennai +VAT	580	575	+5
Delhi	570	570	0

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

Centres	28.11.06	27.11.06	Change
Mumbai +VAT	595	602	-7
Chennai +VAT	602	600	+2
Hyderabad +VAT	610	610	0

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

Centres	28.11.06	27.11.06	Change
Mumbai +VAT	460	460	0
Hyderabad +VAT	460	460	0
Rajkot + VAT	452	460	-8
Delhi	440	440	0

Forex Rates

(As on 28.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.74
European Union	Euro	58.71
Japan	100 Yen	38.52
United Kingdom	Pound Sterling	86.68

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Laju Sejahtera	4,500	CPO	Arrived
	Pacific Sound	6,500	CPO	Arrived
	Khadijah	5,900	CPO	Arrived
Mumbai	Pioneer Spirit-III	7,000	Palm Oil	Arrived
	Samho Heron	4,968	Palm oil	Arrived
	Star Dream	7,964	Palm oil	Expected
	MT ACE 7	6,070	Palm oil	Expected
Mundra	MT ACE 7	7,145	Palm oil	Expected
Turicorin	Spring Glory	7,300	Palm oil	Expected
Chennai	Spring Wind	5,200	CPO	Arrived

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.