

## VEGOIL DAILY

November 25<sup>th</sup>, 2006

### REFINED SOY OIL

#### FUNDAMENTALS

Indecisive sentiments in overseas market and miscellaneous demand in domestic market witnessed mixed refined soy oil prices in the spot market. Closure of CBOT soy oil futures on Thursday failed to provide any firm direction along with firmness in BMD crude palm oil futures amidst low demand in domestic market. Although, slight improvement in crude oil and refined soy oil CIF prices influenced domestic market to stay in firm tune. CIF rate of refined soy oil was quoted at \$706 for December shipment on Friday. The soybeans arrival remained in follow-through mood in major producing areas strengthens bearish impact while sufficient release by stockist to get good returns in hope of approaching days will be bearish kept its prices down. Huge amount of refined soy oil in the domestic market helped to curbs the dependency on import soy oil as it costlier these days as compare to domestic produce. Sentiments of demand in physical market to downward directions, weak soy oil projections and lack of risk taker on Friday lead into speculative selling and turned market bearish during most part of trade-session at NCDEX soy oil futures.

#### PRICE DRIVERS:

1. Marginally weak arrival pressure
2. Rise in CIF prices
3. Weak CBOT soy oil projection
4. Slightly firmness in crude oil prices

#### Weather

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

#### TECHNICALS

The long filled body candlestick with short lower shadow indicates sellers are dominated during trade-session. Stochastic are still lying in the overbought region and moving downward after bearish crossover. The prices closed high above 9 day and 18 day EMA indicating still firmness in the market. MACD are running freely upward. As compare to last day both volume and OI are declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	463.0	465.0	469.0	474.0	476.0

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:  
**Sell** Near 471.0; T1 469.0 and put stop loss at 472.0.

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

Centres	24.11.06	23.11.06	Change
Mumbai (Soy Ref oil)+VAT	468	468	0
Indore (Soy Ref oil)+VAT	448	446	+2
Kota (Soy Ref. Oil)+VAT	460	460	0
Hyderabad (Soy Ref)+VAT	470	475	-5
Rajkot (Soy Ref)+Tax	448	450	-2

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Ends Up

The most active contract of February 07 finished high MYR40 to MYR1,876 per metric ton. Despite of selling pressure, market faced upward movement indicated dormant firmness in the market. The optimistic demand from major consumers likes China and India in approaching months kept bulls high in the market. Palm oil production expected to be low under current dry weather conditions in Indonesia added the bullishness in the market.

#### Domestic Spot Market Highlights

Spot market prices of palm oil repeated the same demand/supply scenario nationwide on Friday. In lack of support from other vegetable oils and low demand from vanaspati makers amidst high palm oil prices these days made them awaiting for prices to come down to enhance normal trade activities again.

#### 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	24.11.06	23.11.06	Change
Kandla CPO (5 % FFA)	408	409	-1
Kandla RBD Palmolein +VAT	428	428	0
Mumbai RBD Palmolein +VAT	451	451	0
Chennai RBD Palmolein +VAT	455	455	0
Kakinada RBD Palmolein +VAT	430	430	0
Hyderabad RBD Palmolein	463	463	0
Delhi RDB Palmolein	470	470	0

#### Rape/Mustard oil

Mustard oil prices remained steady to improve in the spot market on mixed demand in the domestic market. Most of centres witnessed suspended trade activities on steady/demand scenario while little improvement in demand of retailers helped market to see upward movement in Rajasthan regions. Nafed to enhance its mustard seed sell, drop prices marginally, which quoted at Rs. 1885 per quintal for last year stock. Traders are waiting prices to come down to restore high trade activities.

#### Groundnut Refine Oil

Spot market prices of groundnut refined oil remains mostly steady on follow-through sentiments in major locations. In Rajkot market, local demand is still firm and helped its prices to see upwardly trends. In Rajkot, shell groundnut quoted at Rs.410/20 kg to attract buyers. Traders are waiting prices to come down to support normal trade activities.

#### Sunflower Refine Oil

Spot market prices of sunflower refined oil remains on bearish mood on low demand in most of centres. In Hyderabad market lack of buying support and shift to other vegetable oils witnessed sharp decline. CIF prices of sunflower refined oil remained bullish and quoted at \$740 for December shipment on Friday. Traders are expecting sunflower refined oil prices likely to follow the developments in overseas market.

#### Cotton Refine Oil

Indecisive mood of overseas market had the bearish impact on cotton refined oil nationwide. Nearly all locations felt low demand in expectations for further fall in prices see this price drop. Cottonseed arrivals are improved in few growing areas added the bearish tone. Suspended trade activities are likely in coming days in these high prices.

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

Centres	24.11.06	23.11.06	Change
Mumbai (Exp. Oil) +VAT	475	475	0
Kota (Expeller Oil)+VAT	460	450	+10
Jaipur (Expeller Oil)+VAT	465	455	+10
Delhi (Expeller Oil)	490	490	0
Neewai (Expeller Oil) +VAT	452	452	0

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

Centres	24.11.06	23.11.06	Change
Mumbai +VAT	580	580	0
Rajkot +VAT	550	546	+4
Andhra Region +VAT	630	635	-5
Chennai +VAT	580	580	0
Delhi	570	570	0

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

Centres	24.11.06	23.11.06	Change
Mumbai +VAT	615	615	0
Chennai +VAT	612	610	+2
Hyderabad +VAT	615	640	-25

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

Centres	24.11.06	23.11.06	Change
Mumbai +VAT	462	462	0
Hyderabad +VAT	460	465	-5
Rajkot + VAT	460	462	-2
Delhi	440	445	-5

#### Forex Rates

(As on 24.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.87
European Union	Euro	58.15
Japan	100 Yen	38.57
United Kingdom	Pound Sterling	85.99

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Shina	6,410	CPO	Arrived
Manglore	Global Venus (MLI)	8,500	CPO	Arrived
Mumbai	Pioneer Spirit-III	7,000	Palm Oil	Expected
Mundra	MT ACE 7	7,145	Palm oil	Expected

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