

VEGOIL DAILY

November 04th, 2006

REFINE SOY OIL

FUNDAMENTAL MARKETS

Sentiments for soy refined oil prices remains mixed in the spot market on firm advice of overseas market. Crude oil prices witnessed sharp decline on NYMEX futures made biodiesel less competitive to it. USDA soybean export sales released on Thursday highlighted soy oil influx for biodiesel production accounted in September at 176.2 million ton, down against 186.2 million ton in August. CIF rate of soy oil increased sharply but remained unsupportive to the domestic market. The CIF rate for refined soy oil for September-January shipment was further steep increased at \$653 on Friday. Weather situation is not favourable for trading and inconsistent rain helped its prices to stay in range bound position in Hyderabad. Overall soybean arrivals are improved nationwide also had bearish impact. Harvesting is already come to its tailing situation and huge stock is expected to arrive in coming days added bulls in the market. Speculative selling on NCDEX kept the bearish tone by firm advice of overseas market.

PRICE DRIVERS:

1. Weak crude oil prices
2. USDA export sale as per expectations
3. Increasing Arrival Pressure
4. Harvesting in tailing position

Weather

Dense cloud observed over large part of MP and Maharastra with likely showers may increase the moisture content in soybean stock.

TECHNICALS

Opening bozu filled candlestick with indicates bearish market sentiments. Stochastic declining with increasing divergence indicates weak market sentiment. The prices closed above 9 day and 18 day EMA indicating some strength. MACD made bearish cross over. Volume decline sharply while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	437.50	439.0	443.0	444.0	445.8

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Sell Below 442.50; T1 440.60 and put stop loss at 443.50.

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

Centres	3.11.06	2.11.06	Change
Mumbai (Soy Ref oil)+VAT	417	418	-1
Indore (Soy Ref oil)+VAT	407	407	0
Kota (Soy Ref. Oil)+VAT	415	417	-2
Hyderabad (Soy Ref)+VAT	435	435	0
Rajkot (Soy Ref)+Tax	416	412	+4

PALM OIL

International Highlights

BMD Crude Palm Oil Futures Settle Down

Friday was profit-booking day after crude palm oil gains 30 months high on Thursday. There was sharp decline in crude oil prices made biodiesel demand less competitive and encourage traders to book their profits. The most active contract of January crude palm oil futures ended down MYR 31 at MYR1,693. According to traders interplay by vital commodities like crude oil and competitive soy oil price expected to have significant influence on crude palm oil futures.

Domestic Spot Market Highlights

Sentiments of palm oil prices remains mixed in the spot market on steady demand. There is sharp decline in BMD crude palm oil futures repeated with the same trends in palm oil in most of centres. There is no change in FOB prices of CPO confirmed steady prices in few locations. Demand from vanaspati makers likely to improve in coming days.

BMD: CPO Futures (3.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov.06	1674	1659	1660	1653	1653	-21	27
Dec.06	1705	1695	1695	1666	1681	-24	1062
Jan.07	1724	1720	1720	1683	1693	-31	9779
Feb.07	1735	1725	1727	1695	1706	-29	2467
Mar.07	1752	1732	1732	1705	1716	-36	347

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	3.11.06	2.11.06	Change
Kandla CPO (5 % FFA)	390	390	0
Kandla RBD Palmolein +VAT	407	406	+1
Mumbai RBD Palmolein +VAT	424	422	+2
Chennai RBD Palmolein +VAT	442	444	-2
Kakinada RBD Palmolein +VAT	418	420	-2
Hyderabad RBD Palmolein	448	450	-2
Delhi RDB Palmolein	450	450	0

Rape/Mustard oil

Spot market of mustard oil remained range bound to firm in most of centres on mixed sentiment in demand. Increase in retail demand in few locations kept the bulls high. Nafed slightly increased its mustard seed prices and good buying made from stockiest and millers. On Friday, Nafed sold its mustard seed at Rs. 1730 per quintal for last year stock added in the spot market. To meet the upcoming retail demand traders expecting further improvement in prices.

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

Centres	3.11.06	2.11.06	Change
Mumbai (Exp. Oil) +VAT	434	431	+3
Kota (Expeller Oil)+VAT	408	408	0
Jaipur (Expeller Oil)+VAT	415	415	0
Delhi (Expeller Oil)	435	435	0
Neewai (Expeller Oil) +VAT	420	410	+10

Groundnut Refine Oil

The low availability of groundnut to millers/crushers helped groundnut refined oil prices to firm in Rajkot. Bad weather hampered trading in Hyderabad resulting a sharp correction and rest of centres remained range bound on balance in demand and supply. In Rajkot market shelled groundnut was quoted at Rs. 384/20kg. Traders are expecting decline in its prices on increase arrivals in near terms.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	3.11.06	2.11.06	Change
Mumbai +VAT	540	540	0
Rajkot +VAT	510	505	+5
Andhra Region +VAT	580	590	-10
Chennai +VAT	560	560	0
Delhi	530	530	0

Sunflower Refine Oil

Continuous rise in CIF prices raised the landing cost of sunflower refined oil resulting increase in prices in the spot market. The CIF price of refined sunflower oil for September-January shipment witnessed further increase at \$ 666 on Friday. Most of the crop is in harvesting stage and arrival will much more depend on weather situation.

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

Centres	3.11.06	2.11.06	Change
Mumbai +VAT	525	520	+5
Chennai +VAT	540	540	0
Hyderabad VAT	550	540	+10

Cotton Refine Oil

There is strong tendency of Cotton refined oil these days to follow the development in overseas market. The firm note of soy oil at CBOT supported its prices in the spot market. Little decline in arrival added further bullishness. Its prices will much more depend on trends in other vegetable oil.

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

Centres	3.11.06	2.11.06	Change
Mumbai +VAT	427	424	+3
Hyderabad +VAT	435	440	-5
Rajkot + VAT	426	422	+4
Delhi	418	418	0

Forex Rates

(As on 3.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.84
European Union	Euro	57.28
Japan	100 Yen	38.29
United Kingdom	Pound Sterling	85.55

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Nord Farer	12,500	SBO	Arrived
Kolkata	Hua Yun-5	6,500	CPO	Arrived
	Laju Sejahtrea	5,000	CPO	Arrived
	O.Princess	1,000	CPO	Arrived
Chennai	Southern Unicorn	6,000	CPO	Arrived
Tamil Nadu	Global Eros	10,800	Palm Oil	Arrived
	Khadijah	6,250	Palm oil	Expected
Mumbai	Madura-III	5,005	Palm oil	Expected

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