

## VEGOIL DAILY

November 20<sup>th</sup>, 2006

### REFINED SOY OIL

#### FUNDAMENTALS

Refined soy oil prices remained mixed in the spot market on lacklustre demand. In Mumbai steady demand/supply scenario confirmed range bound prices. Emergences of new demand and slightly shortage witnessed further improvement in prices in major producing areas. However, marginally improvement in arrival had bearish impact in rest of centres. Weak advice of soy oil on CBOT futures and lack of direction of crude palm oil on BMD futures had bearish impact in the domestic market. Although, some support came from rising soy oil CIF prices. CIF prices of December shipments quoted at \$684 on Saturday. In coming days traders are expecting downwards movement to enhance market activities. A couple of factors like weak soy oil on CBOT futures on Friday, closure of crude palm oil on BMD futures and need for technical correction enhanced speculative selling on NCDEX futures hence kept soy oil bearish on Saturday.

#### PRICE DRIVERS:

1. Improvement in arrival pressure
2. Weak soy oil on CBOT futures
3. Improvement in CIF prices
4. Closure of crude palm oil on BMD futures.
5. Weak crude oil prices

#### Weather

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

#### TECHNICALS

Long upper shadow with filled candle indicated that strong selling pressure during the session. Stochastic moving from bearish crossover and moving steadily. The prices closed high above 9 day and 18 day EMA indicating firmness in the market. MACD heading smoothly upwards from bullish cross over. Both volume and OI declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	455.0	457.0	459.8	464.0	466.0

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:

**Sell** Below 461.00; T1 459.00 and put stop loss at 462.00.

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

Centres	18.11.06	17.11.06	Change
Mumbai (Soy Ref oil)+VAT	444	444	0
Indore (Soy Ref oil)+VAT	433	428	+5
Kota (Soy Ref. Oil)+VAT	444	446	-2
Hyderabad (Soy Ref)+VAT	455	460	-5
Rajkot (Soy Ref)+Tax	445	444	+1

## PALM OIL

### International Highlights

Bursa Malaysian Derivative remained closed on Saturday.

### Domestic Spot Market Highlights

Spot market of palm oil remains range bound in most of locations in lack of directions from overseas market. Domestic demand also remained weak resisted any price movement. Although, many vessels are expected to fuels more palm oil in the market.

#### BMD: CPO Futures (17.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1725	1712	1746	1711	1725	0	998
Jan.07	1745	1740	1776	1733	1749	+4	5472
Feb.07	1755	1748	1788	1743	1764	+9	18188
Mar.07	1767	1757	1797	1752	1771	+4	2919
Apr.07	1773	1770	1800	1764	1785	+12	251

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	18.11.06	17.11.06	Change
Kandla CPO (5 % FFA)	400	400	0
Kandla RBD Palmolein +VAT	414	414	0
Mumbai RBD Palmolein +VAT	430	430	0
Chennai RBD Palmolein +VAT	440	440	0
Kakinada RBD Palmolein +VAT	420	420	0
Hyderabad RBD Palmolein	454	454	0
Delhi RDB Palmolein	475	465	-10

#### Rape/Mustard oil

Mustard oil prices remained overall bullish in the spot market on firm demand. Low stock position results in upwardly prices movement in Mumbai. Millers are main consumers of mustard seeds these days and higher its prices had bullish impact on mustard oil prices. In current market conditions further improvement could be noticed in coming days.

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

Centres	18.11.06	17.11.06	Change
Mumbai (Exp. Oil) +VAT	456	NA	-
Kota (Expeller Oil)+VAT	445	436	+9
Jaipur (Expeller Oil)+VAT	452	440	+12
Delhi (Expeller Oil)	475	473	+2
Neewai (Expeller Oil) +VAT	440	445	-5

#### Groundnut Refine Oil

Spot market prices of groundnut refined oil reported in range bound conditions due to steady demand in most of locations. High oil prices these days arrested trade activities and turned market to range bound. In Rajkot market shelled groundnut moved further and quoted at Rs. 403/20kg. Spiraling of groundnut refined oil prices likely to continue in coming days on steady improvement in demand.

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

Centres	18.11.06	17.11.06	Change
Mumbai +VAT	560	560	0
Rajkot +VAT	530	528	+2
Andhra Region +VAT	640	640	0
Chennai +VAT	570	570	0
Delhi	590	590	0

#### Sunflower Refine Oil

Continuous rise of CIF prices, which increased \$9 during the weak results into costlier landing of sunflower refined oil on ports. This turned Chennai market to stay firm while steady to low demand in rest of locations kept its prices accordingly. CIF prices of sunflower refined oil for December Shipment came down and quoted at \$712 on Saturday.

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

Centres	18.11.06	17.11.06	Change
Mumbai +VAT	575	575	0
Rajkot +VAT	590	580	+10
Hyderabad VAT	595	600	-5

#### Cotton Refine Oil

The weak demand trends in other vegetable oil synchronized with similar sentiments brings cotton refined oil prices down in the spot market as well as at these higher prices traders are not taking risk for stocking. Good arrival is reported Hyderabad responsible for weak prices in the market. Steady to improvement in prices are expected in near terms depending upon arrival status.

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

Centres	18.11.06	17.11.06	Change
Mumbai +VAT	447	447	0
Hyderabad +VAT	445	455	-10
Rajkot + VAT	450	445	+5
Delhi	440	440	0

#### Forex Rates

(As on 18.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.01
European Union	Euro	57.72
Japan	100 Yen	38.22
United Kingdom	Pound Sterling	85.23

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Chemroad Echo	21,000	Palm oil	Arrived
Kolkata	Marida Prince	6,850	CPO	Expected
Manglore	Coromandel (MLI)	6,988	Palm oil	Expected
	Cheras	5,999	CPO	Expected

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