

VEGOIL DAILY

November 23th, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot market prices of refined soy oil remained mixed on miscellaneous demand nationwide. Emergence of new demand in few markets turned them up while in rest of centres low buying supports from retailers and stockiest kept them bearish. Cotton arrival also coming these days in the market apart from soybeans pressurized soy oil, as cotton oil influx is also high. Although, arrival remained steady but off take is slightly up results in temporary firmness. In current situation of high soy oil prices low trade activity observed and trades expecting to some loose in prices to restore proper trade activities in coming days. Choppy trading at BMD futures neutralized improvement in CIF prices and crude oil price at NYMEX to yesterday. CIF price for refined soy oil was quoted at \$706 for December shipment. Choppy trading of crude palm oil on BMD futures replicated with same sentiments on NCDEX soy oil futures and speculative buying in mid-session turns market slightly bullish.

PRICE DRIVERS:

1. Steady arrival pressure
2. Improvement in CIF prices
3. Firm projections for CBOT
4. Mixed domestic demand
5. Steady meal demand

Weather

Mainly dry weather in major producing areas, which is supportive to add further soybeans in the market.

TECHNICALS

The small filled body candlestick with long lower shadow indicating indecisiveness between buyer and sellers in the market during most part of trade session. Stochastic are still in overbought regions and moving freely after making bearish crossover. The prices closed high above 9 day and 18 day EMA indicating firmness in the market. MACD running freely upward. Both, volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	462.0	464.0	472.6	475.0	477.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:

Sell Near 469.0; T1 467.0, T2 466.0 and put stop loss at 471.0.

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

Centres	22.11.06	21.11.06	Change
Mumbai (Soy Ref oil)+VAT	461	460	+1
Indore (Soy Ref oil)+VAT	443	444	-1
Kota (Soy Ref. Oil)+VAT	455	455	0
Hyderabad (Soy Ref)+VAT	475	470	+5
Rajkot (Soy Ref)+Tax	445	450	-5

PALM OIL

International Highlights

BMD Crude Palm Oil Ends Weak

On the support of technical factors and high selling pressure results into lower crude palm oil futures at Bursa Malaysia Derivatives. The most active February contract finished down MYR 5 at MYR1,866 per ton. Palm oil market still, devoid of fresh fundamental developments. Firmness in corn and soy oil in global market remains ineffective in lack of adequate palm oil demand.

Domestic Spot Market Highlights

Spot market prices of palm oil remained mixed over a range of demand in the domestic market. The Directorate General of Foreign Trade (DGFT) had been made vanaspati duty free and de-canalised have mixed effect nationwide. There is no such change in demand in noticed to yesterday made market remains uncertain for coming days.

BMD: CPO Futures (22.11.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1828	1826	1833	1803	1819	-9	594
Jan.07	1857	1863	1863	1830	1840	-17	2657
Feb.07	1871	1876	1876	1844	1866	-5	7306
Mar.07	1876	1885	1884	1853	1869	-7	1674
Apr.07	1880	1873	1873	1870	1870	-10	72

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.11.06	21.11.06	Change
Kandla CPO (5 % FFA)	409	413	-4
Kandla RBD Palmolein +VAT	428	427	+1
Mumbai RBD Palmolein +VAT	448	450	-2
Chennai RBD Palmolein +VAT	455	455	0
Kakinada RBD Palmolein +VAT	430	433	-3
Hyderabad RBD Palmolein	463	463	0
Delhi RDB Palmolein	475	470	+5

Rape/Mustard oil

From Nov 15, market showed upwardly prices movement and reached to a state, which unable to hold the current market. At the higher prices buyers interest is less and to fetch good returns selling pressure is high in expectation of market on the verge to fall and strengths the bearishness in the spot market. In prevailing situation, Nafed mustard seed remains maintained to yesterday, which available at Rs. 1880 per quintal for last year stock.

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

Centres	22.11.06	21.11.06	Change
Mumbai (Exp. Oil) +VAT	470	470	0
Kota (Expeller Oil)+VAT	445	450	-5
Jaipur (Expeller Oil)+VAT	455	458	-3
Delhi (Expeller Oil)	485	485	0
Neewai (Expeller Oil) +VAT	450	455	-5

Groundnut Refine Oil

Yesterday brief steadiness of groundnut refined oil demand/supply, spread in most of centres and results in range bound prices. According to trade sources, prevailing high prices arrested the market activities and supported range bound sentiments. In Mumbai, stockiests optimistic for good returns results in price improvement. In Rajkot market shelled groundnut remained steady and quoted at Rs. 410/20kg. In prevailing market conditions, traders are looking for steadiness in prices in coming days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	22.11.06	21.11.06	Change
Mumbai +VAT	580	575	+5
Rajkot +VAT	540	540	0
Andhra Region +VAT	650	650	0
Chennai +VAT	580	580	0
Delhi	600	600	0

Sunflower Refine Oil

These days, sunflower seed arrival is approaching to the market is far less as market actual requirement. At these higher prices oil preference had been shifted to other cheap availability in Mumbai result in range bound prices. While in rest of centres influence of previous CIF prices hike strengthens them. CIF prices of sunflower refined oil for December Shipment quoted at \$728 on Wednesday. In current weak arrival conditions, further prices rise is expected.

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

Centres	22.11.06	21.11.06	Change
Mumbai +VAT	605	605	0
Chennai +VAT	610	605	+5
Hyderabad VAT	635	620	+15

Cotton Refine Oil

These days strong influence of overseas market is profound on soy oil and on cotton refined oil. Weakness in other vegetables oil mainly soy oil support falls in its prices. The domestic demand is also low strengths weakness. Development in overseas market will be guiding force for cotton refined oil.

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

Centres	22.11.06	21.11.06	Change
Mumbai +VAT	462	462	0
Hyderabad +VAT	465	465	0
Rajkot + VAT	455	456	-1
Delhi	442	450	-8

Forex Rates

(As on 22.11.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.75
European Union	Euro	57.55
Japan	100 Yen	38.07
United Kingdom	Pound Sterling	85.14

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Marida Prince	6,850	CPO	Arrived
	Shina	6,410	CPO	Expected
Manglore	Coromandel (MLI)	6,988	Palm oil	Expected
	Cheras	5,999	CPO	Expected
	Global Venus (MLI)	8,500	CPO	Expected
Mumbai	Pioneer Spirit-III	7,000	Palm Oil	Expected

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