

VEGOIL DAILY

December 04th, 2006

REFINED SOY OIL

FUNDAMENTALS

Refined soy oil prices stayed steady to weak amidst mixed demand nationwide. In few centres steady demand kept prices at range bound while in others soy oil influx is high against Friday results fall in prices. Arrivals held steady but less aggressive buying to the weekend kept bears high. Closure of BMD crude palm oil futures on Saturday and weakness in soy futures at CBOT failed to provide firm direction to the domestic market. CIF refined soy oil prices sharply increased but in lack of fundamental news remains ineffective. The CIF prices of December shipment quoted at \$728 on Saturday. Traders are in wait and watch situation and closely observing developments in overseas market. Lack of direction from BMD and CBOT, rise in crude oil prices and in bullish sentiments over long terms demand supported speculative buying at NCDEX soy oil futures.

PRICE DRIVERS:

1. Improved soybeans prices curbed offtake
2. Low domestic demand
3. Steady arrival pressure
4. Lack firm advice from overseas market.

Weather

Isolated rainfall liking over East Madhya Pradesh likely to influence soybean arrival slightly and dry weather in rest of growing areas would support to arrivals.

TECHNICALS

The short hollow body with long upper shadow and short lower shadow candlestick indicated buyer dominance over sellers during the trade-session. Stochastic progress further to yesterday and move more downwards to overbought regions. The prices come between 9 days EMA and 18 days EMA indicating less firmness in prices. MACD are running smoothly downwards after making bearish crossover. Volume declined significantly while open interest declined slightly.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	465	467	468.1	474	476

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:
Buy near 469; T1 471, T2 472 and put stop loss at 468.

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

Centres	02.11.06	01.12.06	Change
Mumbai (Soy Ref oil)+VAT	468	468	0
Indore (Soy Ref oil)+VAT	447	451	-4
Kota (Soy Ref. Oil)+VAT	457	460	-3
Hyderabad (Soy Ref)+VAT	455	460	-5
Rajkot (Soy Ref)+Tax	470	470	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures remained closed on Saturday.

Domestic Spot Market Highlights

Spot market prices of palm oil stayed range bound in domestic market on follow-through sentiments and lack of any directional movement from overseas market. Steady demand noticed from vanaspati makers as costlier landing of palm oil country and expecting prices to fall to restore trade activities.

BMD: CPO Futures (01.12.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1901	1880	1882	1851	1852	-49	251
Jan.07	1923	1920	1920	1870	1873	-50	521
Feb.07	1940	1930	1931	1878	1888	-52	9641
Mar.07	1948	1938	1938	1884	1896	-52	3238
Apr.07	1896	1900	1908	1887	1899	+3	150

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	02.12.2006	01.12.2006	Change
Kandla CPO (5 % FFA)	412	412	0
Kandla RBD Palmolein +VAT	428	428	0
Mumbai RBD Palmolein +VAT	447	447	0
Chennai RBD Palmolein +VAT	450	450	0
Kakinada RBD Palmolein +VAT	430	430	0
Hyderabad RBD Palmolein	467	468	-1
Delhi RDB Palmolein	473	475	-2

Rape/Mustard oil

On strong follow-through sentiments mustard oil stands steady in domestic market. Depleting inventories is not the alarming indicator for traders as expectations are high for lower prices in coming days. Nafed drop its mustard seed prices to Rs. 1880-85 per quintal for last year stock to stay in competition with other stockists.

Groundnut Refine Oil

Mixed demand nationwide volatiles groundnut refined oil spot market prices. In Hyderabad, improved arrivals and poor demand claims significant prices drop while in rest of centres steady demand/supply scenario kept prices range bound. In Rajkot shelled groundnut prices quoted at Rs.410/20 kg. In lack of fundamental development traders are expecting steady prices in coming days.

Sunflower Refine Oil

The long await of sunflower arrival likely to hit market soon as well as steady trends in other vegetable oil glued sunflower refined oil prices to range bound. The low demand offset weakness in CIF prices, which quoted at \$735 for December shipment on Saturday. Sunflower oil prices likely to influenced great by arrival pressure in coming days.

Cotton Refine Oil

As the arrival of both cottonseed and soybeans coming these days, so affecting each other in close proximity. Cotton arrival improved in major producing areas along with weak demand and low soy refined oil prices pressuring cotton refined oil price in the spot market. Movement of overseas market and arrival pressure will determine cotton oil prices in coming days.

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

Centres	02.11.06	01.12.06	Change
Mumbai (Exp. Oil) +VAT	465	465	0
Kota (Expeller Oil)+VAT	442	442	0
Jaipur (Expeller Oil)+VAT	452	452	0
Delhi (Expeller Oil)	478	475	+3
Neewai (Expeller Oil) +VAT	450	450	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	02.11.06	01.12.06	Change
Mumbai +VAT	565	565	0
Rajkot +VAT	538	530	+8
Andhra Region +VAT	600	620	-20
Chennai +VAT	575	575	0
Delhi	560	560	0

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

Centres	02.11.06	01.12.06	Change
Mumbai +VAT	595	595	0
Chennai +VAT	602	605	-5
Hyderabad +VAT	610	610	0

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

Centres	02.11.06	01.12.06	Change
Mumbai +VAT	453	455	-2
Hyderabad +VAT	445	450	-5
Rajkot + VAT	448	448	0
Delhi	438	440	-2

Forex Rates

(As on 02.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.67
European Union	Euro	59.57
Japan	100 Yen	38.69
United Kingdom	Pound Sterling	88.50

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Star Dream	7,964	Palm oil	Arrived
	MT ACE 7	6,070	Palm oil	Expected
Mundra	MT ACE 7	7,145	Palm oil	Expected
Turicorin	Spring Glory	7,300	Palm oil	Arrived
Chennai	Spring Wind	5,200	CPO	Arrived
Kandla	M.T. SC Singapor	4,000	CPO	Expected
	M.T. Nora	6,600	Palm oil	Expected

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