

## VEGOIL DAILY

December 07th, 2006

### REFINED SOY OIL

#### FUNDAMENTALS

Refined soy oil remains mixed the spot market due to similar sentiments to yesterday in the physical market. In Hyderabad, prices come to standstill on steady demand. Arrivals stands in domestic market passed unnoticed. Delay in marriage seasons also had some underlying bearish impact along with huge stocks among stockists. In current situations, traders refused any big change in soy oil prices and tracking movement of global market. The mixed advice from international market reflected with same mood in the spot market. The inspection over Brazil's soybean crop for 2006-07, estimation came at 56.3 million tonnes against 53.4 million tonnes last year had some bearish impact at CBOT soy oil futures and likely to produce same effect on long terms basis in the domestic market. The slightly improvement in CIF soy oil prices and quoted at \$ 726 for January shipment on Wednesday cushioned further prices fall. Bearish crude oil and soy oil futures at CBOT weaken buyer interest with lack of long-term demand results speculative selling at NCDEX soy oil futures during most part of trade-session.

#### PRICE DRIVERS:

1. Low soybeans prices
2. Low domestic demand
3. Steady arrival pressure
4. Weakness in crude oil and soy oil futures at CBOT
5. Improvement in refined soy oil CIF prices.

#### Weather

Mainly dry weather are expecting over major producing areas would support trade activities and arrival.

#### TECHNICALS

The long filled candlestick with nearly equal upper and lower shadow indicates buyers remains dominant during most part of trade-session. Stochastic avoided expected bullish crossover and running smoothly. The prices remained below to 9 days EMA and touched 18 days EMA indicating weakness in prices. MACD are moving freely and smoothly to downwards after making bearish crossover. Volume declined significantly while OI decline marginally.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	455	457	459.75	466	468

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:  
**Sell** near 462; T1 459, T2 458 and put stop loss at 464.

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

Centres	06.12.06	05.11.06	Change
Mumbai (Soy Ref oil)+VAT	455	460	-5
Indore (Soy Ref oil)+VAT	443	442	+1
Kota (Soy Ref. Oil)+VAT	450	NA	-
Hyderabad (Soy Ref)+VAT	448	448	0
Rajkot (Soy Ref)+Tax	460	465	-5

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Ends High

Optimistic long-term demand of palm oil from major consuming countries, bullish palm oil future forecast by Indonesian Palm oil Producers and short-covering fuelled crude palm oil futures at Bursa Malaysian Derivatives. The most active February contract gain MYR 13 at MYR 1,853 per metric ton. Bullish forecast of biodiesel from Malaysian palm oil Association to 1 million tonnes by palm oil kept bulls high.

#### Domestic Spot Market Highlights

Steady prices of palm oil are dominating in the spot market on consecutive follow-through sentiments since government kept base import price unchanged. More palm oil reported at port to fuel stockist inventories had some bearish impact. Palm oil prices likely to stay range bound on lack of long-term demand and prevailing higher prices.

#### BMD: CPO Futures (06.12.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1812	1822	1830	1822	1830	+8	26
Jan.07	1831	1845	1856	1835	1840	+9	1088
Feb.07	1840	1850	1866	1839	1853	+13	5935
Mar.07	1846	1850	1873	1847	1857	+11	3350
Apr.07	1849	1855	1869	1854	1865	+16	86

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	06.12.2006	05.12.2006	Change
Kandla CPO (5 % FFA)	406	406	0
Kandla RBD Palmolein +VAT	427	425	+2
Mumbai RBD Palmolein +VAT	442	442	0
Chennai RBD Palmolein +VAT	448	445	+3
Kakinada RBD Palmolein +VAT	430	430	0
Hyderabad RBD Palmolein	465	465	0
Delhi RDB Palmolein	462	470	-8

#### Rape/Mustard oil

Mustard oil prices remains mixed on similar demand to yesterday. Few markets flourished on exceeding demand to supply while rest of centres came to standstill at steady demand as well as Nafed kept prices unchanged at Rs. 1850 per quintal for last year stock. On lack of big movement in demand, traders are expecting prices to stay at similar range in coming days.

#### Groundnut Refine Oil

Floored demand and fresh arrival of groundnut refined oil witnessed steep fall in prices while rest of centres remains range bound on steady demand/supply. Emergence of new demand had some bullishness in Rajkot market. Here shelled groundnut quoted at Rs. 402/20kg to lure millers/crushers. Steady to weak prices are expected in coming days by majority of traders.

#### Sunflower Refine Oil

Sunflower refined oil prices remains steady on lack of fresh fundamental news with inconsistent sunflower seed arrivals. Significant improvement in refined sunflower oil CIF prices passed unnoticed and quoted at \$ 745 for January shipment on Wednesday. Steady to weak spot prices are expecting in coming days depending upon demand.

#### Cotton Refine Oil

Spot market prices of cotton refined oil kept steady on balance in demand to supply. Steady to weak demand in other vegetable oils apart from lack of firm advice from global market helped its prices at range bound. Development in international market with crushing status will determine its prices in near terms.

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

Centres	06.12.06	05.11.06	Change
Mumbai (Exp. Oil) +VAT	455	460	-5
Kota (Expeller Oil)+VAT	440	438	+2
Jaipur (Expeller Oil)+VAT	448	445	+3
Delhi (Expeller Oil)	465	465	0
Neewai (Expeller Oil) +VAT	437	437	0

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

Centres	06.12.06	05.11.06	Change
Mumbai +VAT	560	560	0
Rajkot +VAT	535	530	+5
Andhra Region +VAT	610	610	0
Chennai +VAT	570	570	0
Delhi	540	560	-20

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

Centres	06.12.06	05.11.06	Change
Mumbai +VAT	590	592	-2
Chennai +VAT	602	602	0
Hyderabad +VAT	600	600	0

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

Centres	06.12.06	05.11.06	Change
Mumbai +VAT	442	445	-3
Hyderabad +VAT	438	438	0
Rajkot + VAT	445	445	0
Delhi	435	435	0

#### Forex Rates

(As on 06.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.51
European Union	Euro	59.36
Japan	100 Yen	38.86
United Kingdom	Pound Sterling	87.82

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	MT ACE 7	6,070	Palm oil	Expected
Mundra	MT ACE 7	7,145	Palm oil	Expected
Kandla	M.T. SC Singapor	4,000	CPO	Expected
	M.T. Nora	6,600	Palm oil	Expected
Kolkata	Shima Kaze	6,754	CPO	Arrived

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