

## VEGOIL DAILY

December 02<sup>nd</sup>, 2006

### REFINED SOY OIL

#### FUNDAMENTALS

Spot market prices of refined soy oil remains unchanged to Thursday on lack of demand on most of market nationwide. In Indore emergence of new demand witnessed upwardly price movement. Weak demand of soy meal in domestic as well as in global market along with abound soy oil stocks strengthens steadiness under steady demand. Government decision to retain the base import prices on crude soy oil considered the strong influencing factors fixed prices to range bound. Crude palm oil future at BMD and crude oil prices, which remained bearish, added some weakness to the domestic market. CIF prices of refined soy oil slightly down and December shipments quoted at \$718 on Friday. Domestic market will be keeping tracks of development in overseas market in near terms. Indecisiveness over revision of base prices of imported oil and later Government decision to retains prevailing prices along with decline in crude palm oil futures at BMD led to speculative selling at NCDEX soy oil futures.

#### PRICE DRIVERS:

1. Weak soybeans prices
2. Steady domestic demand
3. Steady arrival pressure
4. Marginally weakness in CIF prices
5. Untouched base prices of imported oils

#### 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 indecisiveness in the market and led to choppy trading during the trade-session. Stochastic progress more downwards to overbought regions. The prices come between 9 days EMA and 18 days EMA indicating weakness in prices. MACD are running smoothly after making bearish crossover. Both volume and open interest increased.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec.	459	461	467.45	474	476

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:

Sell Below 469; T1 465, T2 464 and put stop loss at 471.

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

Centres	01.12.06	30.11.06	Change
Mumbai (Soy Ref oil)+VAT	468	468	0
Indore (Soy Ref oil)+VAT	451	446	+5
Kota (Soy Ref. Oil)+VAT	460	463	-3
Hyderabad (Soy Ref)+VAT	460	460	0
Rajkot (Soy Ref)+Tax	470	470	0

## PALM OIL

### International Highlights

#### Crude Palm oil Futures at BMD Finish Weak

Last two weeks rally reached market to overbought conditions on long-terms demand from China and India and with partial support from biodiesel demand. Weak technical indicators and profit-taking witnessed weakness to overbought condition of crude palm oil and most active February contract down MYR 52 at MYR 1, 888 per metric ton on Friday.

### Domestic Spot Market Highlights

Palm oil price remains steady to bullish in the spot market on follow-through sentiments. Government decision to retain current base prices of import oil had mixed reaction in the domestic market. Steady demand/supply scenario in most of centres kept price range bound.

#### 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	01.12.2006	30.11.2006	Change
Kandla CPO (5 % FFA)	412	410	+2
Kandla RBD Palmolein +VAT	428	428	0
Mumbai RBD Palmolein +VAT	447	445	+2
Chennai RBD Palmolein +VAT	450	450	0
Kakinada RBD Palmolein +VAT	430	430	0
Hyderabad RBD Palmolein	468	463	+5
Delhi RDB Palmolein	475	475	0

#### Rape/Mustard oil

Mustard oil price most range bound in the spot market on steady demand. At high mustard seed prices these days, suspension in miller's demand noticed and waiting for prices to come down to strengthens trade activities. Nafed mustard seed prices improved marginally at Rs. 1895 per quintal for last year stock. Further steadiness is expected from majority of traders.

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

Centres	01.12.06	30.11.06	Change
Mumbai (Exp. Oil) +VAT	465	465	0
Kota (Expeller Oil)+VAT	442	448	-6
Jaipur (Expeller Oil)+VAT	452	452	0
Delhi (Expeller Oil)	475	475	0
Neewai (Expeller Oil) +VAT	450	446	+4

#### Groundnut Refine Oil

Groundnut refined oil prices remains range bound on steady demand/supply scenario. Some fresh arrival claims fall in prices in Delhi. Groundnut production is likely to short this year supported strong buying in earlier days in hope of good returns in off-season but prevailing higher prices of groundnut seed cut millers buying and by-product oil is maintaining present steady demand. Shelled groundnut prices also remains same to yesterday and quoted at Rs.407/20 kg in Rajkot.

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

Centres	01.12.06	30.11.06	Change
Mumbai +VAT	565	565	0
Rajkot +VAT	530	530	0
Andhra Region +VAT	620	620	0
Chennai +VAT	575	575	0
Delhi	560	570	-10

#### Sunflower Refine Oil

Sunflower refined oil prices remains firmed in domestic market on depleting inventories of stockists that restricted supply supported spot prices. Arrivals are likely to heavy in coming day will determine the direction of sunflower oil. The CIF prices of refined sunflower oil were quoted at \$740 for December shipment on Friday.

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

Centres	01.12.06	30.11.06	Change
Mumbai +VAT	595	595	0
Chennai +VAT	605	602	+3
Hyderabad +VAT	610	600	+10

#### Cotton Refine Oil

Low crushing of cottonseed these days at higher prices led to shortage of supply against market actual requirements. Arrival also declined a little had another bullish impact. The movement of global market and other vegetable oil will guide the cotton oil prices in coming days.

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

Centres	01.12.06	30.11.06	Change
Mumbai +VAT	455	450	+5
Hyderabad +VAT	450	450	0
Rajkot + VAT	448	447	+1
Delhi	440	438	+2

#### Forex Rates

(As on 01.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.67
European Union	Euro	59.26
Japan	100 Yen	38.55
United Kingdom	Pound Sterling	88.18

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Laju Sejahtera	4,500	CPO	Arrived
	Pacific Sound	6,500	CPO	Arrived
	Khadijah	5,900	CPO	Arrived
Mumbai	Pioneer Spirit-III	7,000	Palm Oil	Arrived
	Samho Heron	4,968	Palm oil	Arrived
	Star Dream	7,964	Palm oil	Expected
	MT ACE 7	6,070	Palm oil	Expected
Mundra	MT ACE 7	7,145	Palm oil	Expected
Turicorin	Spring Glory	7,300	Palm oil	Expected
Chennai	Spring Wind	5,200	CPO	Arrived

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