

## VEGOIL DAILY

December 21st, 2006

### REFINED SOY OIL

#### FUNDAMENTALS

Gains at overnight CBOT, crude soy oil CIF prices coupled with emergence of new demand in anticipation of market is likely to remain bullish in coming days pushed spot prices of refined soy oil up in the domestic markets despite of outburst of bird flu in Vietnam. Slightly improvement in crude oil prices and BMD also aids bullish impact. The CIF prices of crude soy oil quoted at \$701 per tonne for January shipment on Wednesday. The underlying bullish impact of global markets of celebrations mood ahead of Christmas and year-end likely to reflect similar impacts in the domestic market in near-term. Follow-through sentiments and bullishness in global market results speculative buying on NCDEX soy oil futures on Wednesday during most part of trade day.

#### PRICE DRIVERS:

1. Improvement in domestic demand
2. Firmness in overseas market
3. Improvement in crude soy oil CIF prices
4. Slightly weak arrivals
5. Outbreaks of bird flu in Vietnam.

#### Weather

Mainly dry weather over major producing areas would help trade activities and soybean arrivals in coming days.

#### TECHNICALS

The long hollow candlestick with short upper shadow pointed towards buyers predominant during the most part of trade session. Stochastic moved freely up after making bullish crossover but still persist in the oversold region. The prices touched 9 days and remained below to 18 days EMA indicated indecisiveness in the prices. MACD faced up after approached down into negative territory. Volume increased but open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	451	454	460.6	466	469

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:  
**Sell** near 461; T1 458, T2 457 and put stop loss at 463.

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

Centres	20.12.06	19.12.06	Change
Mumbai (Soy Ref oil)+VAT	445	443	+2
Indore (Soy Ref oil)+VAT	425	423	+2
Kota (Soy Ref. Oil)+VAT	440	438	+2
Hyderabad (Soy Ref)+VAT	455	450	+5
Rajkot (Soy Ref)+Tax	455	450	+5

## PALM OIL

### International Highlights

#### Crude Palm oil Futures Ends Firm

Despite of weak SGS exports sales estimation of palm oil that fell by 24% during the period of Dec. 1-20, crude palm oil futures remains bullish on at Bursa Malaysian Derivatives on Wednesday amidst firm celebration mood ahead of year end, declined volumes, ideas of short-covering reached market to positive territory. Overnight gains in soy oil futures at CBOT also aids bullish tone in the market and crude palm oil March contract finished MYR13 up from MYR1,868 per tonne.

#### Domestic Spot Market Highlights

Palm oil prices remain bullish in the physical market on firm support of BMD CPO futures but gains limited by low domestic demand and steady CIF prices of crude palm oil, which quoted at \$560 per ton on Wednesday. The underlying bullish impact from low production in Malaysian in coming days likely to influence domestic palm oil prices in near-term.

BMD: CPO Futures (20.12.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1836	1846	1856	1845	1846	+10	754
Feb.07	1848	1864	1868	1854	1858	+10	2113
Mar.07	1855	1872	1877	1861	1868	+13	4937
Apr.07	1862	1870	1881	1870	1872	+10	552
May.07	1867	1881	1885	1875	1875	+8	38

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	20.12.06	19.12.06	Change
Kandla CPO (5 % FFA)	402	401	+1
Kandla RBD Palmolein +VAT	427	426	+1
Mumbai RBD Palmolein +VAT	444	442	+2
Chennai RBD Palmolein +VAT	455	453	+2
Kakinada RBD Palmolein +VAT	435	431	+4
Hyderabad RBD Palmolein +VAT	457	452	+5
Delhi RDB Palmolein	460	465	-5

### Rape/Mustard oil

Some improvement in mustard oil prices reported in the domestic market on improve demand and Nafed's drop of mustard seed prices further by Rs. 10, which quoted at Rs. 1690 per quintal for stock of 2005-06. Mustard prices had come to the lowest level past Diwali in few markets, likely to remains steady on weak demand.

### Refined Groundnut Oil

Some shortage of groundnut reported in few markets on rising demand from southern states for Rabi sowing; rest of market remains range bound on balance in supply to demand and firmness in others vegetable oils. In Rajkot market, shelled groundnut quoted at Rs. 398 per 20kg on Wednesday. Traders are expecting groundnut refined oil price likely to move further up as sowing likely to continue to December end.

### Refined Sunflower Oil

Despite of weakness in CIF prices, refined sunflower oil remained bullish in the spot market on inconsistent sunflower seed arrivals and firmness in other vegetable oils. The CIF prices of sunflower oil quoted at \$706 per ton on Wednesday. As arrivals pressure likely to plentiful in coming days would have bearish impact on oil market.

### Refined Cotton Oil

Cotton refined oil prices stood bullish in the spot market in tandem competition with groundnut and soy oil, which remains high on Wednesday, firm advice of overseas market and steady arrival pressure. Refined groundnut oil prices likely to move in tandem with other vegetable oil in coming days.

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

Centres	20.12.06	19.12.06	Change
Mumbai (Exp. Oil) +VAT	442	446	-4
Kota (Expeller Oil)+VAT	418	410	+8
Jaipur (Expeller Oil)+VAT	420	415	+5
Delhi (Expeller Oil)	452	450	+2
Neewai (Expeller Oil) +VAT	413	415	-2

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

Centres	20.12.06	19.12.06	Change
Mumbai +VAT	555	555	0
Rajkot +VAT	540	530	+10
Andhra Region +VAT	620	595	+25
Chennai +VAT	585	585	0
Delhi	520	520	0

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

Centres	20.12.06	19.12.06	Change
Mumbai +VAT	572	575	-3
Chennai +VAT	590	590	0
Hyderabad +VAT	600	590	+10

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

Centres	20.12.06	19.12.06	Change
Mumbai +VAT	442	442	0
Hyderabad +VAT	450	441	+9
Rajkot + VAT	430	425	+5
Delhi	424	420	+4

### Forex Rates

(As on 20.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.74
European Union	Euro	59.21
Japan	100 Yen	37.88
United Kingdom	Pound Sterling	88.30

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Golden Jane	1750	Palm oil	Expected
	Integrity I	3,000	Palm oil	Expected
Kandla	Chemroad Fuji	23,000	CPO	Expected
	Hari Kripa	2,000	CFA	Expected
Kolkata	Vernal Grace	6,000	CPO	Arrived
	Vernal Grace	2,500	CPO	Arrived
Manglore	Mariella Bottigliri	10,000	CPO	Expected
	Global Pallas	6,000	CPO	Expected

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