

VEGOIL DAILY

December 16th, 2006

REFINED SOY OIL

FUNDAMENTALS

Poor demand and Government decision to kept unchanged base import oil prices had bearish impact in the domestic market coupled with weakness in BMD and CBOT futures ignored bullish USDA export sales cast weakness at spot market prices of refined soy oil. In November month, nil import of soy oil has reported thanks for huge crushing in support of exporters demand during same period has extended bearish impact in the domestic market in addition with restricted selling from producers to fetch good returns when prices became high. The CIF prices of crude soy oil quoted at \$715 for January shipment on Friday. Domestic market is looking for the bullish underlying development in overseas market to receive some acceleration in prices. Unchange base import prices added bearishness results in speculative selling at NCDEX soy oil futures mostly during most part of trade-session.

PRICE DRIVERS:

1. Unchange of base import duty of soy oil
2. Low crude soy oil CIF prices
3. Indecisiveness at BMD and CBOT futures
4. Bullish USDA weekly export sales

Weather

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

TECHNICALS

The short filled candlestick with short lower and upper shadow pointed toward seller support in the market during the most part of trade day. No change noticed on movement of stochastic and predominantly seen in the oversold region. The prices kept below 9 days and 18 days EMA indicated market losses its strength. MACD are moving smoothly downward and approached to negative territory. Volume increased and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	455	458	461.15	470	473

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy near 462; T1 464, T2 465 and put stop loss at 460.

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

Centres	15.12.06	14.12.06	Change
Mumbai (Soy Ref oil)+VAT	446	447	-7
Indore (Soy Ref oil)+VAT	429	432	-3
Kota (Soy Ref. Oil)+VAT	440	445	-5
Hyderabad (Soy Ref)+VAT	460	460	0
Rajkot (Soy Ref)+Tax	455	455	0

PALM OIL

4 International Highlights

BMD Crude Palm oil Futures End Mixed

The most active February contract ended MYR6 up at MYR1,860 per metric ton at Bursa Malaysian Derivatives on Friday on poor excitement during most of trade-session. Lack of fundamental news, overnight weakness at CBOT crude soy oil futures and weak palm oil export sales by SGS restricted market upwardly movement. SGS cargo surveyor export sales for the period of Dec. 1-15 came at 503,097 tons against 661,932 tons during corresponding period last month.

Domestic Spot Market Highlights

Ample stock of palm oil at ports and vanaspati in the domestic market had spill over impact in the spot market prices of palm oil combined with poor domestic demand. The crude palm oil CIF revolved around \$560 per ton for January shipment on Friday. Palm oil prices likely to remains steady under weakness in BMD palm oil futures.

BMD: CPO Futures (15.12.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1848	1848	1860	1844	1850	+2	969
Feb.07	1855	1855	1871	1850	1860	+5	3892
Mar.07	1860	1865	1880	1858	1864	+4	3018
Apr.07	1870	1870	1878	1862	1862	-8	253
May.07	1875	1875	1878	1862	1866	-9	47

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	15.12.06	14.12.06	Change
Kandla CPO (5 % FFA)	404	405	-1
Kandla RBD Palmolein +VAT	428	428	0
Mumbai RBD Palmolein +VAT	442	448	-6
Chennai RBD Palmolein +VAT	453	453	0
Kakinada RBD Palmolein +VAT	436	437	-1
Hyderabad RBD Palmolein +VAT	454	458	-4
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

Nationwide sluggish demand witnessed fall in mustard oil spot market prices. Nafed decision to halt mustard seeds sells at 10 lakh tons till January end had bearish impact on anticipation of cheap availability in the market in coming day. Nafed kept its mustard seed prices unchanged on third consecutive days at Rs. 1775/1785 per quintal for stock of 2005/06. Traders are expecting mustard oil prices likely to slip further on increase availability of mustard seed at cheap prices in the coming days.

Groundnut Refine Oil

Some shortage of seed for crushing supported rise of groundnut refined oil in Chennai market, while on steady demand/supply coupled with steady arrivals kept prices range bound in other locations. In Rajkot, shelled groundnut quoted at Rs. 394 per 20 kg on Fridays. On lack of new fundamental news, groundnut refined oil prices likely to remains range bound in coming days.

Sunflower Refine Oil

Spot market prices of sunflower refined oil remain unchanged on balance in demand/supply scenario. During November month sunflower oil imported about 9,000 metric tonnes has restricted direct affect of delay sunflower seed arrival in the country. The CIF prices of sunflower oil quoted at \$728 per ton for January shipment on Friday. Sunflower seed arrivals likely to guide oil prices in near-term.

Cotton Refine Oil

Refined cotton oil prices remains range bound in the physical market on steady demand and poor support from other vegetable oil. Cottonseed arrivals remain steady helped in fixing oil prices at range bound level. Traders are expecting its prices likely to move in tandem with other vegetable oil.

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

Centres	15.12.06	14.12.06	Change
Mumbai (Exp. Oil) +VAT	448	455	-7
Kota (Expeller Oil)+VAT	425	428	-3
Jaipur (Expeller Oil)+VAT	434	437	-3
Delhi (Expeller Oil)	455	458	-3
Neewai (Expeller Oil) +VAT	420	420	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	15.12.06	14.12.06	Change
Mumbai +VAT	550	553	-3
Rajkot +VAT	530	530	0
Andhra Region +VAT	605	605	0
Chennai +VAT	580	560	+20
Delhi	540	540	0

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

Centres	15.12.06	14.12.06	Change
Mumbai +VAT	580	580	0
Chennai +VAT	590	590	0
Hyderabad +VAT	600	600	0

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

Centres	15.12.06	14.12.06	Change
Mumbai +VAT	438	445	-7
Hyderabad +VAT	447	447	0
Rajkot + VAT	430	430	0
Delhi	428	428	0

Forex Rates

(As on 15.12.2006)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	44.66
European Union	Euro	58.70
Japan	100 Yen	37.88
United Kingdom	Pound Sterling	87.56

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	10,996	Palm oil	Arrived
	Pantelena	5,000	Palm oil	Arrived
	Golden Jane	1750	Palm oil	Expected
Kandla	Chemroad Fuji	23,000	CPO	Arrived
	Chemroad Luna	21,000	Palm oil	Expected
	Hari Kripa	2,000	CFA	Expected
Kolkata	Siam Bhavas	3,800	CPO	Arrived
	Hua Yun-5	3,150	CPO	Arrived

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