

VEGOIL DAILY

December 29th, 2006

REFINED SOY OIL

FUNDAMENTALS

Refined soy oil prices remain modest in the physical market amidst lacklustre domestic demand and mixed soy futures at CBOT despite firmness at BMD combined with increased CIF prices. Beans arrivals declined due to low interest of producers and stockists in wait of prices to become dearer along with poor offtake from millers on low meal demand and higher oil crushing cost kept spot prices mixed. The CIF prices of crude soy oil quoted at \$722 per ton for January shipment on Thursday. Bullish sentiments over long-term demand likely to reflect same sentiments in physical market. On the support of overseas market, NCDEX soy oil futures witnessed speculative buying during trade-day.

PRICE DRIVERS:

1. Weak domestic demand
2. Low BMD crude palm oil futures
3. Spiralling crude soy oil CIF prices
4. Declined beans arrivals

Weather

Most dry weather likes in the central and western regions would support soybeans arrivals in near-term.

TECHNICALS

The long green candlesticks indicated buyer's dominance during most part of trade-session. Stochastic made bearish crossover and is moving freely away each other in overbought region. The prices stood high above 9 days EMA and 18 days EMA indicated firmness. MACD came out from negative territory after bullish crossover. Volume increased but open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	466	470	477.7	483	486

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy Above 476; T1 near 479 and put stop loss at 474.

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

Centres	28.12.06	27.12.06	Change
Mumbai (Soy Ref oil)+VAT	459	462	-3
Indore (Soy Ref oil)+VAT	445	444	+1
Kota (Soy Ref. Oil)+VAT	450	455	-5
Hyderabad (Soy Ref)+VAT	470	470	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Upsurge

Persistent flood conditions in Johor (one of the major palm oil producing State) and forecast for bad weather in coming days coupled with cheers for long-term demand kept bulls high at Bursa Malaysian Derivatives on Thursday and it crossed psychological barrier of MYR2,000 per ton. The most active March crude palm oil contract finished up MYR43 at MYR2,032 per ton. Overnight gains at CBOT and rallies aids some support.

Domestic Spot Market Highlights

Mixed reaction from low physical demand and firmness at BMD reflected similar sentiments in the domestic market. Plenty stock of vanaspati in the market had underlying bearish impact. The CIF prices of crude soy oil quoted at \$722 per ton for January shipment on Thursday. Underlying bullishness at BMD likely to same impact in domestic market in coming days.

BMD: CPO Futures (28.12.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1989	1990	2044	1990	2020	+31	747
Feb.07	1989	1985	2061	2040	2040	+51	4057
Mar.07	1989	1982	2062	1980	2032	+43	16704
Apr.07	1989	1987	2059	1984	2030	+41	2798
May.07	1995	1990	2055	1990	2041	+46	165

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	28.12.06	27.12.06	Change
Kandla CPO (5 % FFA)	418	417	+1
Kandla RBD Palmolein +VAT	NA	427	-
Mumbai RBD Palmolein +VAT	459	460	-1
Chennai RBD Palmolein +VAT	466	466	0
Kakinada RBD Palmolein +VAT	455	448	+7
Hyderabad RBD Palmolein +VAT	468	466	+2
Delhi RDB Palmolein	465	465	0

Rape/Mustard oil

Spot prices of mustard oil stood weak on poor physical demand and stockist's release to get short gain in ongoing winter season. Nafed sold its mustard seed stock at yesterday prices i.e. at Rs. 1750/65 per quintal for stock during 2005/06. Traders are expecting its prices to remain range bound on expecting low crushing in coming days.

Refined Groundnut Oil

Weakness in others vegetable oils and lack of fresh fundamental news results mixed prices of refined groundnut oil in the spot market. In Rajkot market, shelled groundnut quoted at Rs. 422 per 20kg on Thursday. Its prices likely to remain weak on low retailers demand in near-term.

Refined Sunflower Oil

Refined sunflower oil remained weak in physical market amidst increased seed arrivals and poor offtake. Expectation of huge crushing ahead put squeezed present stock from stockist to get short put pressure on market. Abound seed arrival in coming days likely to had strong influence on price movement of refined sunflower oil in coming day.

Refined Cotton Oil

Weak groundnut oil pressured refined cotton oil as both are arrival crop these days and share same market despite steady demand. Cottonseeds arrival improved marginally also had some bearish impact. Traders are expecting its prices likely to range bound in coming days on lack of fresh fundamental news.

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

Centres	28.12.06	27.12.06	Change
Mumbai (Exp. Oil) +VAT	475	474	+1
Kota (Expeller Oil)+VAT	437	438	-1
Jaipur (Expeller Oil)+VAT	440	442	-2
Delhi (Expeller Oil)	460	475	-15
Neewai (Expeller Oil) +VAT	436	440	-4

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	28.12.06	27.12.06	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	552	550	+2
Andhra Region +VAT	660	650	+10
Chennai +VAT	620	630	-10
Delhi	555	555	0

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

Centres	28.12.06	27.12.06	Change
Mumbai +VAT	580	588	-8
Chennai +VAT	592	595	-3
Hyderabad +VAT	590	610	-20

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

Centres	28.12.06	27.12.06	Change
Mumbai +VAT	456	460	-4
Hyderabad +VAT	465	465	0
Rajkot + VAT	448	445	+3
Delhi	438	450	-12

Forex Rates

(As on 28.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.36
European Union	Euro	58.22
Japan	100 Yen	37.37
United Kingdom	Pound Sterling	86.84

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	11,000	Palm oil	Expected (05.01.2007)
	Fujigawa-III	10,800	Palm oil	Expected (30.12.2006)
Kandla	Integrity 1	11,750	CPO*	Arrived (24.12.2006)
	Madura	14,000	CPO*	Arrived (26.12.2006)
	Shintuku	15,000	Palm oil	Expected (31.12.2006)
	Hari Kripa	2,000	Fatty Acid	Arrived (22.12.2006)
Kolkata	Shima Kaze	6,500	CPO	Expected (28.12.2006)
Manglore	Marida Patnus	15,000	CPO	Arrived (26.12.2006)
Mundra	Theresa Jupiter	15,500	CPO	Expected (01.01.2007)
Tuticorin	Sichem Padua	5,600	Palm oil	Expected (29.12.2006)

*with CPS and PFAD

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