

VEGOIL DAILY

December 09th, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot market prices of refined soy oil witnessed upward trends on improvement in physical market as well as bullish tone from overseas market. Few market remains range bound on steady demand to supply. Millers are taking less interest in procuring soybean seed at current prices and hoping prices to come down to regain market pace. Firmness in CBOT and BMD reflected with the same sentiments in the domestic market. The weakness in crude soy oil CIF prices ignored amidst USDA export sales data, which remained within trade expectations and firmness in crude oil. The CIF prices of crude soy oil quoted at \$716 for January shipment on Friday. Trades are watching closely latest development in the domestic and overseas market. NCDEX soy oil futures traded slightly bearish ignored bullishness in the CBOT soy oil futures and crude palm oil futures at BMD. Price declined on short covering and lack of long-term demand lead to speculative selling during most part of trade day.

PRICE DRIVERS:

1. Improvement in domestic demand
2. Steady arrival pressure
3. Firmness in BMD and CBOT
4. Weakness in crude soy oil CIF prices.

Weather

Mainly dry weather over major producing areas would like to support trade activities and soybean arrival.

TECHNICALS

The short filled candlestick with long and lower longer shadow indicates indecisiveness among buyers and sellers and later sellers dominance during most part of trade-session. Stochastic are moving smoothly forward after making bearish crossover. The prices kept below 9 days and 18 days EMA indicate weakness in prices. MACD are moving freely downwards after making bearish crossover. Both volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	460	462	467.5	473	475

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:
Sell near 469; T1 465, T2 464 and put stop loss at 471.

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

Centres	08.12.06	07.11.06	Change
Mumbai (Soy Ref oil)+VAT	454	452	+2
Indore (Soy Ref oil)+VAT	438	436	+2
Kota (Soy Ref. Oil)+VAT	452	450	+2
Hyderabad (Soy Ref)+VAT	445	445	0
Rajkot (Soy Ref)+Tax	455	455	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Finish High

Crude palm oil futures at Bursa Malaysian Derivatives ended up on Friday on devoid of new development and expectation of bullish export sales estimation by a cargo surveyor, SGS for the period of Dec. 1-10. The Most active February contract finished high MYR 15 at MYR 1,865 per metric ton. There are bullish prices ahead forecast by Dorab Mistry, a prominent analyst coupled with low supply days in coming month kept bulls high in the market.

Domestic Spot Market Highlights

Spot market prices of palm oil remains steady to firm on dormant demand and bullishness in crude palm oil futures at BMD. The continuous decline of vanaspati maker's demand amidst costlier landing cost of palm oil in the country had bullish impact in the domestic market. Traders are hoping palm oil prices to improve in near terms on predicted El Nino effect in Indonesia.

BMD: CPO Futures (08.12.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1827	1850	1855	1850	1850	+23	70
Jan.07	1836	1839	1867	1839	1852	+16	906
Feb.07	1850	1865	1881	1860	1865	+15	4654
Mar.07	1855	1869	1886	1867	1871	+16	2007
Apr.07	1858	1878	1885	1870	1870	+12	75

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	08.12.06	07.12.06	Change
Kandla CPO (5 % FFA)	407	408	-1
Kandla RBD Palmolein +VAT	427	425	+2
Mumbai RBD Palmolein +VAT	444	442	+2
Chennai RBD Palmolein +VAT	450	448	+2
Kakinada RBD Palmolein +VAT	428	428	0
Hyderabad RBD Palmolein	460	460	0
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

Mustard oil prices remained weak in the spot market on follow-through demand. In Rajasthan region, its prices stood bullish on emergence of new demand. Steadiness of mustard seed price curbed crushing pace. Nafed mustard seed prices slightly improved and quoted at Rs. 1855 per quintal for last year stock. Under low crushing its prices likely to improve in coming days.

Groundnut Refine Oil

Steadiness in groundnut refined oil prices seen in most of locations on balance in demand and supply. Groundnut arrival decline these days offset demand. In Rajkot market, shelled groundnut quoted at Rs. 395/20kg to harmonize with steadiness of the market. Traders are expecting reduce its prices on weak advice of other vegetable oils in coming days.

Sunflower Refine Oil

Sunflower refined oil prices remains steady amidst stable demand in the domestic market. Although, CIF prices decline sharply but remains unnoticed on steady buy. CIF prices of refined sunflower oil quoted at \$733 for January shipment on Friday. Arrival pressure will influence its prices in near terms.

Cotton Refine Oil

Cotton refined oil prices improved in the spot market on sudden improvement in demand and positive advice of overseas market. Arrival remained weak but poor offtake kept bulls high in the market. In these days, traders refused any abrupt change in coming days.

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

Centres	08.12.06	07.11.06	Change
Mumbai (Exp. Oil) +VAT	458	455	-3
Kota (Expeller Oil)+VAT	432	432	0
Jaipur (Expeller Oil)+VAT	442	437	+5
Delhi (Expeller Oil)	465	470	-5
Neewai (Expeller Oil) +VAT	430	432	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	08.12.06	07.11.06	Change
Mumbai +VAT	552	558	-6
Rajkot +VAT	532	530	+2
Andhra Region +VAT	600	600	0
Chennai +VAT	575	575	0
Delhi	540	540	0

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

Centres	08.12.06	07.11.06	Change
Mumbai +VAT	580	585	-5
Chennai +VAT	600	600	0
Hyderabad +VAT	590	590	0

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

Centres	08.12.06	07.11.06	Change
Mumbai +VAT	445	440	+5
Hyderabad +VAT	435	435	0
Rajkot + VAT	445	438	+7
Delhi	430	435	-5

Forex Rates

(As on 08.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.69
European Union	Euro	59.37
Japan	100 Yen	38.77
United Kingdom	Pound Sterling	87.68

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	MT ACE 7	6,070	Palm oil	Expected
	Global Eros	10,996	Palm oil	Expected
Kandla	M.T. SC Singapor	4,000	CPO	Expected
	M.T. Nora	6,600	Palm oil	Expected
	Central Success	8,000	CPO	Expected
Kolkata	Shima Kaze	2,500	CPO	Arrived

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