

VEGOIL DAILY

December 11th, 2006

REFINED SOY OIL

FUNDAMENTALS

Refined soy oil spot market price stood range bound on steady demand and lack of firm advice from global market and devoid of fundamental news. Arrival remains steady but poor offtake kept bulls high. Weakness in CBOT and closure of BMD lack clear direction to the domestic market in spite of slightly improvement in crude soy oil CIF prices. The CIF prices of crude soy oil remained at \$717 for January shipment on Saturday. In decline arrival and underlying bullishness in CBOT and BMD likely to influence refined soy oil in coming days. NCDEX soy oil futures kept bearish on follow-through speculative selling.

PRICE DRIVERS:

1. Steady arrival pressure and domestic demand
2. Lack of support of overseas market
3. Improvement of crude soy oil CIF prices
4. Steady meal demand.

Weather

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

TECHNICALS

The small dark candlestick with lower shadow indicated sellers remains dominant during most part of the day. Stochastic followed Friday's movement and 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 to negative territory after bearish crossover. Both volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	460	462	465.25	475	477

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy near 467; T1 471, T2 472 and put stop loss at 465.

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

Centres	09.11.06	08.12.06	Change
Mumbai (Soy Ref oil)+VAT	454	454	0
Indore (Soy Ref oil)+VAT	436	438	-2
Kota (Soy Ref. Oil)+VAT	452	452	0
Hyderabad (Soy Ref)+VAT	445	445	0
Rajkot (Soy Ref)+Tax	455	455	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Palm oil prices remained mixed in the physical market on lack of firm advice from overseas market and follow-through demand. In lack of new fundamental news addition with support from plentiful vessels, expecting to fuel palm oil would have bearish impact in the spot market in coming days.

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	09.12.06	08.12.06	Change
Kandla CPO (5 % FFA)	407	407	0
Kandla RBD Palmolein +VAT	427	427	0
Mumbai RBD Palmolein +VAT	446	444	+2
Chennai RBD Palmolein +VAT	450	450	0
Kakinada RBD Palmolein +VAT	426	428	-2
Hyderabad RBD Palmolein	464	460	+4
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

The sowing data up to Dec. 7 highlighted mustard seed progress reached at 63.68 lack tonnes against 63.52 last year failed to impact physical market prices on steady demand and lack of new fundamental development, results in range bound prices. Nafed raised mustard seed prices and quoted at Rs. 1860 per quintal for stock during 2005-06. Traders refused any sudden prices improvement in coming days.

Groundnut Refine Oil

Groundnut and cottonseed is the main arrival crop these days and affecting each other, cottonseed arrival had bearish impact on groundnut refined oil in addition with poor physical demand. In Rajkot market, shelled groundnut available at Rs.394/20kg. Due to arrival pressure, further price fall is expected in coming days.

Sunflower Refine Oil

Spot market prices of sunflower refined oil stood range bound on balance in demand and supply. Arrivals remains inconsistent fail to provide clear advice in the domestic market. The CIF prices of sunflower refined oil increased and quoted at \$738 for January shipment on Saturday. Traders are in wait and watch situation and expecting extends in steadiness under unclear arrival conditions.

Cotton Refine Oil

In few markets, cotton refined oil prices fall on increase in arrival pressure and poor physical demand. The cotton crop is plentiful addition with weakness in other vegetable oil had some bearish impact. Steady to weak prices are expecting in coming days on bullish sentiments of arrival pressure.

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

Centres	09.11.06	08.12.06	Change
Mumbai (Exp. Oil) +VAT	455	458	-3
Kota (Expeller Oil)+VAT	432	432	0
Jaipur (Expeller Oil)+VAT	440	442	-2
Delhi (Expeller Oil)	465	465	0
Neewai (Expeller Oil) +VAT	430	430	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	09.11.06	08.12.06	Change
Mumbai +VAT	550	552	-2
Rajkot +VAT	530	532	-2
Andhra Region +VAT	590	600	-10
Chennai +VAT	565	575	-10
Delhi	540	540	0

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

Centres	09.11.06	08.12.06	Change
Mumbai +VAT	580	580	0
Chennai +VAT	592	600	-8
Hyderabad +VAT	590	590	0

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

Centres	09.11.06	08.12.06	Change
Mumbai +VAT	440	445	-5
Hyderabad +VAT	440	435	+5
Rajkot + VAT	432	445	-13
Delhi	430	430	0

Forex Rates

(As on 09.12.2006)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	44.69
European Union	Euro	59.00
Japan	100 Yen	38.41
United Kingdom	Pound Sterling	87.33

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	10,996	Palm oil	Expected
	Pantelena	5,000	Palm oil	Expected
Kandla	Chemroad	23,000	CPO	Expected
	Olympic	14,284	CPO	Expected
	Central Success	8,000	CPO	Expected

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