

VEGOIL DAILY

December 22nd, 2006

REFINED SOY OIL

FUNDAMENTALS

Since spot prices of refined soy oil escalated from the lowest of December month boosted stockist interest up, to fetch good returns in off-season results in increase in buying pressure coupled with firm soy oil futures at CBOT and BMD pushed oil prices up in the domestic market. Mills are running low to its full capacity on weak meal demand and poor realization cost of soy oil created temporary shortage in the few market aids bearish impact in the domestic market. The CIF prices of crude soy oil increased and quoted at \$706 per ton for January shipment on Thursday. The underlying bullish developments in the global markets likely to have bullish impact in the domestic market in coming days. In anticipation for USDA weekly export sales results in speculative buying at NCDEX soy oil futures during the trade-session.

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. Anticipation for USDA weekly export sales

Weather

Most dry weather is expecting in the central and western regions would help in soybeans arrival in near-term.

TECHNICALS

The hollow green candlesticks with short lower shadow highlighted buyers lead in the market. Stochastic moved up after bullish crossover and emerging from oversold region. The prices opened below 9 days EMA and closed above 18 days EMA pointed firmness. MACD faced further up from negative territory. Volume increased but open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	455	458	465.75	470	473

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy above 464; T1 466, T2 467 and put stop loss at 462.

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

Centres	21.12.06	20.12.06	Change
Mumbai (Soy Ref oil)+VAT	447	445	+2
Indore (Soy Ref oil)+VAT	428	425	+3
Kota (Soy Ref. Oil)+VAT	445	440	+5
Hyderabad (Soy Ref)+VAT	458	455	+3
Rajkot (Soy Ref)+Tax	455	455	0

PALM OIL

International Highlights

Crude Palm oil Futures Finish Up

Crude palm oil March contract ended MYR14 up to MYR1,874 per ton at Bursa Malaysian Derivatives on Thursday on firmness in overnight CBOT and the worst flood conditions in part of Malaysia ignored weak excitement over long-term demand and Dec. 1-20 export sales. The celebration mood ahead of year-end added some bullish impact in the market.

Domestic Spot Market Highlights

Firmness in overseas market and improved CIF prices raised spot market prices of palm oil prices nationwide despite of steady domestic demand. The crude palm oil CIF prices quoted at \$565 per ton on Thursday for January shipment. The plenty stocks of vanaspati in the markets likely to limits gains in palm oil prices in coming days.

BMD: CPO Futures (21.12.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1846	1858	1867	1855	1860	+14	202
Feb.07	1858	1870	1878	1865	1875	+17	1053
Mar.07	1868	1876	1888	1874	1882	+14	5269
Apr.07	1872	1890	1893	1879	1888	+16	1762
May.07	1877	1895	1900	1885	1890	+13	258

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	21.12.06	20.12.06	Change
Kandla CPO (5 % FFA)	403	402	+1
Kandla RBD Palmolein +VAT	429	427	+2
Mumbai RBD Palmolein +VAT	447	444	+3
Chennai RBD Palmolein +VAT	458	455	+3
Kakinada RBD Palmolein +VAT	431	435	-4
Hyderabad RBD Palmolein +VAT	457	457	0
Delhi RDB Palmolein	465	460	+5

Rape/Mustard oil

Restoration of mustard seeds price at Rs. 1700 per quintal for the stock 2005/06 by Nafed had bullish impact on oil prices in the spot market in addition with millers fresh buying under improvement in realization cost of oil. Traders are expecting its prices likely move in tandem with other vegetable oils in near-terms.

Refined Groundnut Oil

Balance in demand and supply scenario with lack of fresh fundamental news kept groundnut refined oil prices range bound in the spot market. In Rajkot market, shelled groundnut available at Rs. 405 per 20kg on Thursday. Weak meal demand from exporters, likely to determines refined groundnut oil prices in coming days.

Refined Sunflower Oil

The weak sentiments over current arrivals conditions with steady demand/supply glued refined sunflower oil prices range bound in the spot market. Traders are expecting its prices likely to move according to other vegetable oils.

Refined Cotton Oil

Improvement in soy oil prices and domestic market strengthens refined cotton oil prices in the spot market as both are arrivals crop and shared same market. Seeds arrivals slightly declined aided some bullish impact in the market. Movement in global markets and soy oil will guide its prices in coming days.

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

Centres	21.12.06	20.12.06	Change
Mumbai (Exp. Oil) +VAT	445	442	+3
Kota (Expeller Oil)+VAT	422	418	+4
Jaipur (Expeller Oil)+VAT	425	420	+5
Delhi (Expeller Oil)	455	452	+3
Neewai (Expeller Oil) +VAT	415	413	+3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	21.12.06	20.12.06	Change
Mumbai +VAT	555	555	0
Rajkot +VAT	545	540	+5
Andhra Region +VAT	620	620	0
Chennai +VAT	585	585	0
Delhi	520	520	0

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

Centres	21.12.06	20.12.06	Change
Mumbai +VAT	572	572	0
Chennai +VAT	590	590	0
Hyderabad +VAT	600	600	0

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

Centres	21.12.06	20.12.06	Change
Mumbai +VAT	445	442	+3
Hyderabad +VAT	450	450	0
Rajkot + VAT	432	430	+2
Delhi	425	424	+1

Forex Rates

(As on 21.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.73
European Union	Euro	59.02
Japan	100 Yen	37.79
United Kingdom	Pound Sterling	87.98

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Integrity I	3,000	Palm oil	Arrived (20.12.2006)
Kandla	Integrity 1	11,750	CPO*	Arrived (20.12.2006)
	Harsanandi	13,500	Palm oil	Expected (21.12.2006)
	Shintuku	15,000	Palm oil	Expected (28.12.2006)
Kolkata	Matina	6,817	CPO	Expected (21.12.2006)
Manglore	Marida Patnus	15,000	CPO	Expected (21.12.2006)
	Global Pallas	6,000	CPO	Expected (21.12.2006)
	Gulf Dove	5,000	SBO	Expected (21.12.2006)

*with CPS and PFAD

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