

VEGOIL DAILY

December 18th, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot market prices of refined soy oil remain mixed on sluggish domestic demand, lack of direction from overseas market, devoid of fundamental news and fall of crude soy oil CIF prices. Adequate release from stockists to get short gains and anticipation for huge influx of imported oil in off-season had another bearish impact. Soybeans arrivals declined but poor offtake under low meal demand pressured the soy oil market. The CIF prices of crude soy oil remained at \$709 for January shipment on Saturday. Traders are looking for dormant bullish development of overseas market to limit the fall of soy oil physical market. NCDEX soy oil futures lack the direction on Saturday and results into speculative selling during most part of trade day.

PRICE DRIVERS:

1. Sluggish domestic demand
2. Sufficient release from stockists
3. Low crude soy oil CIF prices
4. Lack of direction from overseas market

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 upper and slightly longer lower shadow indicated seller support on second consecutive day during the most part of trade day. Stochastic moved further down to the oversold region. The prices kept below 9 days and 18 days EMA pointed weakness in the prices. MACD are moving smoothly downward and touched the negative territory. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	450	454	458.6	465	469

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:
Sell near 460; T1 457, T2 456 and put stop loss at 462.

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

Centres	16.12.06	15.12.06	Change
Mumbai (Soy Ref oil)+VAT	443	446	-3
Indore (Soy Ref oil)+VAT	426	429	-3
Kota (Soy Ref. Oil)+VAT	442	440	+2
Hyderabad (Soy Ref)+VAT	460	460	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

Poor domestic demand, lack of BMD guiding force witnessed steady to weak palm oil spot market prices despite of increase in the crude palm oil CIF prices. The crude palm oil of CIF quoted at \$570 for January shipment on Saturday. Traders are expecting palm oil prices likely to come down further on poor domestic demand.

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	16.12.06	15.12.06	Change
Kandla CPO (5 % FFA)	403	404	-1
Kandla RBD Palmolein +VAT	428	428	0
Mumbai RBD Palmolein +VAT	444	442	-2
Chennai RBD Palmolein +VAT	453	453	0
Kakinada RBD Palmolein +VAT	435	436	-1
Hyderabad RBD Palmolein +VAT	457	454	+3
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

Mustard oil spot market prices remained weak on poor demand and low stockists interest to build up their inventories. Nafed kept mustard seed prices unchanged at Rs. 1775 per quintal for stock during 2005/06. In lack of proper demand, traders refused abrupt change in mustard oil prices.

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

Centres	16.12.06	15.12.06	Change
Mumbai (Exp. Oil) +VAT	446	448	-2
Kota (Expeller Oil)+VAT	423	425	-2
Jaipur (Expeller Oil)+VAT	432	434	-2
Delhi (Expeller Oil)	455	455	0
Neewai (Expeller Oil) +VAT	420	420	0

Refined Groundnut Oil

Spot market prices of refined groundnut oil reported mixed on lack of equal aggressive buying and weakness in other vegetable oils. In Rajkot, shelled groundnut available at Rs. 396 per 20 kg on Saturday. Traders are anticipating for groundnut arrival to determine oil prices in near terms.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	16.12.06	15.12.06	Change
Mumbai +VAT	552	550	+2
Rajkot +VAT	530	530	0
Andhra Region +VAT	600	605	-5
Chennai +VAT	585	580	+5
Delhi	540	540	0

Refined Sunflower Oil

The continuous steadiness is reported on refined sunflower oil on poor demand and inconsistent arrivals. The CIF prices of sunflower oil declined sharply and reported at \$718 per ton for January shipment on Saturday. In lack of fundamental news, sunflower prices likely to stay range bound in near-terms.

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

Centres	16.12.06	15.12.06	Change
Mumbai +VAT	575	580	-5
Chennai +VAT	590	590	0
Hyderabad +VAT	600	600	0

Refined Cotton Oil

Cottonseed arrivals decline in the spot market supported refined groundnut spot prices combining with some improvement in demand. Traders are waiting emergence of underlying bullish sentiments of overseas market to support refined cotton oil prices in coming days.

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

Centres	16.12.06	15.12.06	Change
Mumbai +VAT	445	438	+7
Hyderabad +VAT	450	447	+3
Rajkot + VAT	430	430	0
Delhi	425	428	-3

Forex Rates

(As on 16.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.54
European Union	Euro	58.26
Japan	100 Yen	38.67
United Kingdom	Pound Sterling	86.95

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	10,996	Palm oil	Arrived
	Golden Jane	1750	Palm oil	Arrived
Kandla	Chemroad Fuji	23,000	CPO	Arrived
	Chemroad Luna	21,000	Palm oil	Expected
	Hari Kripa	2,000	CFA	Expected
Kolkata	Vernal Grace	6,000	CPO	Expected
Mundra	Global Union	3,250	Pal m oil	Expected
Manglore	Mariella Bottigliri	10,000	CPO	Expected
	Global Pallas	6,000	CPO	Expected

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