

## VEGOIL DAILY

December 20th, 2006

### REFINED SOY OIL

#### FUNDAMENTALS

Spot market prices of refined soy oil remain weak on spot market on continuous sluggish demand, weakness in overnight CBOT, marginally weakness at crude oil prices and abrupt drop in crude soy oil CIF prices. Poor realization cost of soy oil limited the crushing despite steady soybeans arrival and marginally gains at crude palm oil BMD futures. The CIF prices of crude soy oil quoted at \$698 per ton for January shipment on Tuesday. The underlying bearishness in the International markets likely to have similar reflection on domestic market in coming days. NCDEX January soy oil futures rebound on technical corrections resulting speculative buying even after choppy trading-session.

#### PRICE DRIVERS:

1. Sluggish domestic demand
2. Weakness in overnight CBOT
3. Steep drop in crude soy oil CIF prices
4. Firmness in BMD CPO futures

#### Weather

Mainly dry weather over major producing areas would help trade activities and soybean arrivals in coming days.

#### TECHNICALS

The long hollow candlestick with short upper shadow indicated buyers remains dominant during most part of trade session. Stochastic moved up to make bullish crossover and still prevail in oversold region. The prices kept below 9 days and 18 days EMA pointed weakness in the prices. MACD are moved further downward and penetrate the negative territory. Both volume and open interest increased.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	447	450	455.5	462	466

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:  
**Sell** near 456; T1 453, T2 452 and put stop loss at 458.

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

Centres	19.12.06	18.12.06	Change
Mumbai (Soy Ref oil)+VAT	443	443	0
Indore (Soy Ref oil)+VAT	423	426	-3
Kota (Soy Ref. Oil)+VAT	438	438	0
Hyderabad (Soy Ref)+VAT	450	455	-5
Rajkot (Soy Ref)+Tax	450	452	-2

## PALM OIL

### International Highlights

#### Crude Palm oil Futures Settle Firm

Overnight weakness at CBOT limited gain of crude palm oil futures at Bursa Malaysian Derivatives on Tuesday despite of weak ringgit. The most active March contract ended slightly high MYR8 at MYR1,855 per ton. The low excitement over SGS exports sales for the period of Dec. 1-20, poor consumer demand and lack of fresh fundamental news aids bearish tone in the market.

#### Domestic Spot Market Highlights

Spot market prices of palm oil remained weak amidst lack of firm advice from overseas market and steep drop in crude palm oil CIF prices, which quoted at \$560 per metric tonne for January shipment on Tuesday. Many vessels are expected to fuel more palm oil nationwide had underlying bearish impact in the domestic market. In winter season low palm oil demand tend to push its prices down in coming days.

BMD: CPO Futures (19.12.2006)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1831	1837	1853	1824	1836	+5	602
Feb.07	1840	1833	1864	1830	1848	+8	784
Mar.07	1847	1839	1872	1836	1855	+8	4400
Apr.07	1855	1855	1875	1846	1860	+5	673
May.07	1860	1860	1860	1860	1860	0	1

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	19.12.06	18.12.06	Change
Kandla CPO (5 % FFA)	401	402	-1
Kandla RBD Palmolein +VAT	426	428	-2
Mumbai RBD Palmolein +VAT	442	443	-1
Chennai RBD Palmolein +VAT	453	453	0
Kakinada RBD Palmolein +VAT	431	434	-3
Hyderabad RBD Palmolein +VAT	452	454	-2
Delhi RDB Palmolein	465	470	-5

### Rape/Mustard oil

Mustard oil prices remained weak in the spot market on poor offtake and sudden drop of Rs. 75 of mustard seed by Nafed, which remained at Rs. 1700 per quintal for 2005/06 stocks on Tuesday. Firm buying of mustard seed prices at these prices from millers likely to pressure mustard oil in coming days on increase crushing.

### Refined Groundnut Oil

Spot market prices of refined groundnut oil stood weak in the domestic market on follow-through demand and steadiness in seed arrival. In Rajkot market, shelled groundnut quoted at Rs. 394 per 20 kg on Tuesday. Lack of new buying on anticipation of further drop in prices would have bearish impact in the market in near-term.

### Refined Sunflower Oil

Steadiness of sunflower oil CIF prices on third consecutive days at \$718 per tonne for January shipment on Tuesday coupled with slightly improvement in demand strengthens refined sunflower oil spot prices. In lack of fresh fundamental news, its prices likely to revolve around range bound position in coming days.

### Refined Cotton Oil

Spot market prices of refined cotton oil remained weak nationwide amidst improved arrival pressure and weakness in other vegetable oil. Being the cheaper among other fresh arrival, its demand is short from vanaspati makers due to already heavy stock in the market. Its prices is likely to fall further on weakness in others edible oil especially soy oil in coming days.

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

Centres	19.12.06	18.12.06	Change
Mumbai (Exp. Oil) +VAT	446	445	+1
Kota (Expeller Oil)+VAT	410	415	-5
Jaipur (Expeller Oil)+VAT	415	418	-3
Delhi (Expeller Oil)	450	453	-3
Neewai (Expeller Oil) +VAT	415	418	-3

### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	19.12.06	18.12.06	Change
Mumbai +VAT	555	552	+3
Rajkot +VAT	525	528	-3
Andhra Region +VAT	595	595	0
Chennai +VAT	585	585	0
Delhi	520	520	0

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

Centres	19.12.06	18.12.06	Change
Mumbai +VAT	575	580	-5
Chennai +VAT	590	587	+3
Hyderabad +VAT	590	590	0

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

Centres	19.12.06	18.12.06	Change
Mumbai +VAT	442	446	-4
Hyderabad +VAT	441	445	-4
Rajkot + VAT	425	428	-3
Delhi	420	422	-2

### Forex Rates

(As on 19.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.83
European Union	Euro	58.69
Japan	100 Yen	38.00
United Kingdom	Pound Sterling	87.39

**PORT-WATCH (Latest):**  
**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Golden Jane	1750	Palm oil	Expected
	Integrity I	3,000	Palm oil	Expected
Kandla	Chemroad Fuji	23,000	CPO	Expected
	Hari Kripa	2,000	CFA	Expected
Kolkata	Vernal Grace	6,000	CPO	Arrived
	Vernal Grace	2,500	CPO	Arrived
Manglore	Mariella Bottigliri	10,000	CPO	Expected
	Global Pallas	6,000	CPO	Expected

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