

VEGOIL DAILY

December 15th, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot market prices of refined soy oil remained weak in the spot market on follow-through demand and weakness in the global market. Reports of new bird flu strain in South Korea sealed bearish tone in the market and likely affect meal demand from exporters in coming days. In Hyderabad, rise in retailer's demand strengthens spot market prices. The CIF prices of crude soy oil remained unchanged and quoted at \$715 for January shipment on Thursday. However, Government decision on import oil duty and USDA weekly export sales had some underlying bullish impact in the market results speculative selling at NCDEX soy oil futures during most part of trade-session.

PRICE DRIVERS:

1. Import oil duty revision
2. Unchanged crude soy oil CIF prices
3. Weak BMD and CBOT futures
4. Report of Bird flu in the South Korea
5. USDA weekly export sales data to be release

Weather

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

TECHNICALS

The short hollow candlestick with short lower shadow indicated buyer strengthens market during most part of trade-session. Stochastic is moving steadily forward and remains in the oversold region. The prices remained below 9 days and 18 days EMA indicates market loses firmness. MACD are moving smoothly downward and approaching towards negative territory. Volume declined sharply and open interest marginally increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	455	459	464.5	470	474

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy near 463; T1 465, T2 466 and put stop loss at 461.

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

Centres	14.12.06	13.12.06	Change
Mumbai (Soy Ref oil)+VAT	447	448	-1
Indore (Soy Ref oil)+VAT	432	433	-1
Kota (Soy Ref. Oil)+VAT	445	NA	-
Hyderabad (Soy Ref)+VAT	460	445	+15
Rajkot (Soy Ref)+Tax	455	455	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Finish Down

The Crude palm oil futures at Bursa Malaysian Derivatives ended weak on Thursday on fear of weak export figure to be release by SGS cargo surveyor for the period of Dec. 1-15 and weak technicals. The most active February contract ended MYR46 down at MYR 1,855 per metric ton. Suspension of purchase of palm oil from energy sector added bearishness in the market.

Domestic Spot Market Highlights

Spot market prices of palm oil improved amidst firm demand in the domestic market. More vessels are expected to fuel more oil in the country and CIF prices of crude palm oil kept steady on third consecutive days at \$560 per metric ton for January shipment on Thursday. Palm oil prices likely to stay range bound in coming days on ample stock at the port.

BMD: CPO Futures (14.12.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1878	0	1878	0	1878	0	0
Jan.07	1891	1896	1896	1848	1854	-37	1170
Feb.07	1901	1910	1914	1854	1855	-46	4611
Mar.07	1911	1919	1922	1860	1860	-51	5757
Apr.07	1916	1915	1915	1868	1875	-41	1505

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.12.06	13.12.06	Change
Kandla CPO (5 % FFA)	405	406	-1
Kandla RBD Palmolein +VAT	428	427	+1
Mumbai RBD Palmolein +VAT	448	443	+5
Chennai RBD Palmolein +VAT	453	453	0
Kakinada RBD Palmolein +VAT	437	430	+7
Hyderabad RBD Palmolein +VAT	458	456	+2
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

Mustard oil prices remained weak in the spot market amidst poor demand combined with anticipation of its prices to down further. Nafed kept steady its mustard seed prices at Rs. quoted at 1775/1785 per quintal for stock of 2005/06. Traders are expecting its prices likely to range bound in coming days on likely low crushing,

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

Centres	14.12.06	13.12.06	Change
Mumbai (Exp. Oil) +VAT	455	455	0
Kota (Expeller Oil)+VAT	428	430	-2
Jaipur (Expeller Oil)+VAT	437	438	-1
Delhi (Expeller Oil)	458	460	-2
Neewai (Expeller Oil) +VAT	420	420	0

Groundnut Refine Oil

Steady to weak demand nationwide kept spot market prices of groundnut refined oil mixed. Arrivals of groundnut seed remained steady but stockist's interest supported its prices in few locations. In Rajkot, shelled groundnut quoted at Rs.395 per 20 kg on Thursday. In the prevailing arrival conditions, groundnut refined oil price likely to remains steady in coming days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	14.12.06	13.12.06	Change
Mumbai +VAT	553	552	+1
Rajkot +VAT	530	532	-2
Andhra Region +VAT	605	600	+5
Chennai +VAT	560	565	-5
Delhi	540	540	0

Sunflower Refine Oil

Refined sunflower oil prices remain steady in the spot market on balance in demand and supply and temporary shift of traders to other arrival crops. The CIF prices of sunflower oil declined and quoted at \$ 724 for January shipment on Thursday. Lack of proper sunflower arrival would support steady prices in coming days.

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

Centres	14.12.06	13.12.06	Change
Mumbai +VAT	580	580	0
Chennai +VAT	590	590	0
Hyderabad +VAT	600	600	0

Cotton Refine Oil

In tandem competition with groundnut and soybeans as these are arrival crops and shares the same market in addition with slightly short cottonseed arrival, strengths spot market prices of cotton refined oil. Arrival pressure of cottonseed would determine cotton refined oil prices in coming days.

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

Centres	14.12.06	13.12.06	Change
Mumbai +VAT	445	444	+1
Hyderabad +VAT	447	440	+7
Rajkot + VAT	430	431	+1
Delhi	428	428	0

Forex Rates

(As on 14.12.2006)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	44.74
European Union	Euro	59.14
Japan	100 Yen	38.08
United Kingdom	Pound Sterling	87.98

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	10,996	Palm oil	Arrived
	Pantelena	5,000	Palm oil	Arrived
	Golden Jane	1750	Palm oil	Expected
Kandla	Chemroad Fuji	23,000	CPO	Arrived
	Chemroad Luna	21,000	Palm oil	Expected
	Hari Kripa	2,000	CFA	Expected
Kolkata	Siam Bhavas	3,800	CPO	Arrived
	Hua Yun-5	3,150	CPO	Arrived

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