

VEGOIL DAILY

December 28th, 2006

REFINED SOY OIL

FUNDAMENTALS

Lack of fresh fundament development, sluggish demand and recent data on oilseed sowing highlighted, up to Dec.22 it declined by 9.39% to 8.94 million hectares had mixed reaction in the spot market and results in volatile prices domestically. Firmness at overnight CBOT and weakness at BMD further amplified mixed trends. However, further fall limited by firmness in crude palm oil CIF prices, which quoted at \$715 per ton for January shipment on Wednesday. Anticipations for dormant demand in domestic market likely to have bullish impact in near-term. Weakness in BMD supported speculative selling at NCDEX soy oil futures during most part of trade-day.

PRICE DRIVERS:

1. Weak domestic demand
2. Low BMD crude palm oil futures
3. Increased crude soy oil CIF prices
4. Steady beans arrivals

Weather

Most dry weather likes in the central and western regions would supports soybeans arrivals in near-term.

TECHNICALS

The long filled red candlestick indicates seller's dominancy during the trade-day. Stochastic is approached each other to market bearish crossover below overbought region. The prices came closer but remains above 9 days EMA and 18 days EMA pointed to firmness in the market. MACD entered positive territory after bullish crossover. Volume declined but open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	463	466	470.15	478	482

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Sell Below 473; T1 near 471, T2 470 and put stop loss at 475.

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

Centres	27.12.06	26.12.06	Change
Mumbai (Soy Ref oil)+VAT	462	458	+4
Indore (Soy Ref oil)+VAT	444	445	-1
Kota (Soy Ref. Oil)+VAT	455	455	0
Hyderabad (Soy Ref)+VAT	470	470	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Settle Weak

Crude palm oil futures finished weak on Wednesday at Bursa Malaysian Derivatives. Flood conditions in Indonesia and Malaysia affected harvesting activities and crop damage in also expecting had some bullish impact but market pulled into negative territory by profit taking and failed to continue yesterday rallies and overall results in volatile trading and most active March contract of crude palm oil declined marginally MYR6 at MYR1,989 per ton.

Domestic Spot Market Highlights

Spot market of palm oil remained weak on poor domestic demand and low BMD crude palm oil futures. However, Rupee is strengthening against Dollar from last couple of days meant importers pay less for their latest import orders results into many vessels are expecting to fuel more palm oil had some underlying bearish impact. The CIF prices of crude palm oil increased and quoted at \$595 per ton for January shipment on Wednesday. Traders declined abrupt change in palm oil prices in present palm oil stock status.

BMD: CPO Futures (27.12.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1993	1999	2000	1973	1984	-9	1275
Feb.07	1994	2010	2012	1974	1989	-5	2908
Mar.07	1995	2014	2016	1973	1989	-6	11889
Apr.07	1995	1993	2000	1974	1994	-1	3715
May.07	1997	2000	2000	1975	1985	-12	273

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.12.06	26.12.06	Change
Kandla CPO (5 % FFA)	417	419	-2
Kandla RBD Palmolein +VAT	427	435	-8
Mumbai RBD Palmolein +VAT	460	458	+2
Chennai RBD Palmolein +VAT	466	466	0
Kakinada RBD Palmolein +VAT	448	450	-2
Hyderabad RBD Palmolein +VAT	466	468	-2
Delhi RDB Palmolein	465	465	0

Rape/Mustard oil

Anticipation for good prevailing weather conditions of Rabi mustard crop with steady domestic demand had bullish impact on mustard oil prices in the spot market. Nafed decreased its mustard seed prices at Rs. 1750/65 per quintal for stock during 2006/07. Mustard oil prices likely to remain steady on lack of fresh fundamental news in near-term.

Refined Groundnut Oil

Spot market prices of refined groundnut oil improved in few centres on shortage and emergence of fresh demand while in rest of locations, its prices stood range bound on balance demand/supply. In Rajkot market, shelled groundnut quoted at Rs. 422 per 20kg on Wednesday. In coming days, its prices likely to remain range bound on steady demand.

Refined Sunflower Oil

Refined sunflower oil price remains unchange to yesterday on steady demand and lack of proper seed arrival. The CIF prices of sunflower oil prices spiraled and quoted at \$693 per ton for January shipment on Wednesday. The movement of others vegetable oils likely to determines its prices in coming days.

Refined Cotton Oil

Continuous rising demand and steady seed arrivals kept refined cotton oil prices in bullish tone. Stockists are main buyers to fetch good returns in off-season had some bullish impact. Cottonseeds crushing status likely to determines oil prices in near-terms.

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

Centres	27.12.06	26.12.06	Change
Mumbai (Exp. Oil) +VAT	474	465	+9
Kota (Expeller Oil)+VAT	438	438	0
Jaipur (Expeller Oil)+VAT	442	442	0
Delhi (Expeller Oil)	475	470	+5
Neewai (Expeller Oil) +VAT	440	NA	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	27.12.06	26.12.06	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	550	560	-10
Andhra Region +VAT	650	640	+10
Chennai +VAT	630	630	0
Delhi	555	540	+15

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

Centres	27.12.06	26.12.06	Change
Mumbai +VAT	588	585	+3
Chennai +VAT	595	595	0
Hyderabad +VAT	610	610	0

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

Centres	27.12.06	26.12.06	Change
Mumbai +VAT	460	456	+4
Hyderabad +VAT	465	465	0
Rajkot + VAT	445	450	+5
Delhi	450	450	0

Forex Rates

(As on 27.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.39
European Union	Euro	58.41
Japan	100 Yen	37.41
United Kingdom	Pound Sterling	87.10

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Integrity I	3,000	Palm oil	Arrived (19.12.2006)
	Global Eros	11,000	Palm oil	Expected (05.01.2007)
	Fujigawa-III	10,800	Palm oil	Expected (30.12.2006)
Kandla	Integrity 1	11,750	CPO*	Arrived (24.12.2006)
	Madura	14,000	CPO*	Expected (26.12.2006)
	Shintuku	15,000	Palm oil	Expected (28.12.2006)
	Hari Kripa	2,000	Fatty Acid	Arrived (22.12.2006)
Kolkata	Matina	6,817	CPO	Arrived (21.12.2006)
	Laju Sejahtera	4,500	CPO	Arrived (21.12.2006)
Manglore	Marida Patnus	15,000	CPO	Arrived (26.12.2006)
Mundra	Theresa Jupiter	15,500	CPO	Expected (02.01.2006)

*with CPS and PFAD

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