

VEGOIL DAILY

December 27th, 2006

REFINED SOY OIL

FUNDAMENTALS

Refined soy oil prices increased in the spot market amidst jump at BMD futures coupled with spiralling CIF prices. Soybeans arrivals remain steady but prices increased again, higher to crush margin results in poor offtake and results in temporary shortage of soy oil in the market had underlying bullish impact in the domestic market. The prediction over weak long term supply of crude oil from major producing countries would ignite CBOT soy futures and combination of both likely to have bullish impact in the domestic market. The CIF prices of crude soy oil increased and quoted at \$712 per ton for January shipment on Tuesday. The NCDEX soy oil futures witnessed speculative buying due to firmness in overseas market during most part of trade day.

PRICE DRIVERS:

1. Improvement in domestic demand
2. Rise BMD crude palm oil futures
3. Increased crude soy oil CIF prices
4. Low meal demand

Weather

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

TECHNICALS

Closeness at open and close prices formed gravestone doji candlestick indicated buyers' remains dominate trading and drove prices higher during the trade-session with failed rallies. Stochastic moved freely upwards and is approaching to overbought regions. The prices stood high above 9 days EMA and 18 days EMA indicated firmness in the market. MACD came out from negative territory and made bullish crossover. Both volume open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	464	467	474.2	481	484

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy near 473; T1 near 475, T2 476 and put stop loss at 471.

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

Centres	26.12.06	23.12.06	Change
Mumbai (Soy Ref oil)+VAT	458	452	+6
Indore (Soy Ref oil)+VAT	445	436	+9
Kota (Soy Ref. Oil)+VAT	455	453	+2
Hyderabad (Soy Ref)+VAT	470	465	+5
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Increases Sharply

Crude palm oil futures ended sharply high on Tuesday at Bursa Malaysian Derivatives. Despite of weak export sales estimation released by SGS cargo surveyor, most active March contract rose sharply MYR94 at MYR1,995 per ton amidst bullish sentiments over short supply under prevailing flood condition in parts of Malaysia, rallies and short covering.

Domestic Spot Market Highlights

The long term bullish sentiments over crude palm oil supply from major producing countries reflected with similar sentiments in the domestic market in addition with rising crude palm oil CIF prices, which quoted at \$590 per tons for January shipment on Tuesday. The poor supply in major producing countries may have similar impact in the domestic market in near-terms.

BMD: CPO Futures (26.12.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1888	1912	1995	1912	1988	+100	1360
Feb.07	1894	1910	1994	1910	1994	+100	4110
Mar.07	1901	1913	2001	1913	1995	+94	11458
Apr.07	1905	1920	2000	1920	1997	+92	4632
May.07	1907	1920	2000	1920	1995	+88	331

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.12.06	23.12.06	Change
Kandla CPO (5 % FFA)	419	407	+12
Kandla RBD Palmolein +VAT	435	432	+3
Mumbai RBD Palmolein +VAT	458	453	+5
Chennai RBD Palmolein +VAT	466	463	+3
Kakinada RBD Palmolein +VAT	450	442	+8
Hyderabad RBD Palmolein +VAT	468	460	+8
Delhi RDB Palmolein	465	465	0

Rape/Mustard oil

Mustard oil prices escalated in the spot market on increased demand. Nafed increased its mustard seed prices at Rs. 1775 per quintal for stocks of 2005/06 and having stock position of about 14.5lakh tonnes had underlying bullish impact. Traders are expecting its price to improve further on depleting stock.

Refined Groundnut Oil

Refined groundnut oil sharply increased in the spot market due to slightly improved demand, depleting stocks and low meal demand from exporters. In Rajkot market, shelled groundnut priced at Rs. 425 per 20kg on Tuesday. Under the present stock position, further improvement in oil prices may be observed in coming days.

Refined Sunflower Oil

Sharp increased sunflower oil CIF prices, poor seed arrival and influence of other vegetable oils had strong impact on refined sunflower oil in the domestic market. The CIF prices of sunflower oil quoted at \$688 per ton for January shipment on Tuesday. Traders are anticipating further improvement in its price in prevailing seed arrival conditions.

Refined Cotton Oil

Cotton arrival remains steady in major growing areas but poor offtake on low meal demand results improvement in spot prices of refined cotton oil. Also, improvement in refined groundnut oil had spill over impact. The movement in others vegetable oils are likely to determine refined cotton oil prices in coming days.

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

Centres	26.12.06	23.12.06	Change
Mumbai (Exp. Oil) +VAT	465	455	+10
Kota (Expeller Oil)+VAT	438	435	+3
Jaipur (Expeller Oil)+VAT	442	433	+9
Delhi (Expeller Oil)	470	460	+10
Neewai (Expeller Oil) +VAT	NA	432	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	26.12.06	23.12.06	Change
Mumbai +VAT	585	575	+10
Rajkot +VAT	560	550	+10
Andhra Region +VAT	640	650	-10
Chennai +VAT	630	600	+30
Delhi	540	540	0

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

Centres	26.12.06	23.12.06	Change
Mumbai +VAT	585	575	+10
Chennai +VAT	595	590	+5
Hyderabad +VAT	610	610	0

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

Centres	26.12.06	23.12.06	Change
Mumbai +VAT	456	452	+4
Hyderabad +VAT	465	455	+10
Rajkot + VAT	450	445	+5
Delhi	450	435	+10

Forex Rates

(As on 26.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.54
European Union	Euro	58.45
Japan	100 Yen	37.45
United Kingdom	Pound Sterling	87.25

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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