

VEGOIL DAILY

December 13th, 2006

REFINED SOY OIL

FUNDAMENTALS

The firmness in overnight CBOT and BMD futures failed to impact spot market prices of refined soy oil amidst weak SGS cargo palm oil export figure and steady domestic demand. Soybeans arrivals declined from producer and stockists in order to fetch good returns in near-terms along with poor millers demand and delay marriage season had underlying bearish impact. The processor units are running low to its full capacity on low meal demand. The CIF prices of crude soy oil increased to \$721 for January shipment on Tuesday. Speculative selling is high on NCDEX soy oil futures on lack on new fundamental news; risk takers and weakness in crude palm oil export figures. In support of firm meal demand in approaching days, soy oil prices likely to remains steady to firm depending upon crushing status.

PRICE DRIVERS:

1. Slightly weak arrival pressure
2. Marginally improvement in crude oil prices
3. Improved crude soy oil CIF prices
4. Millers are taking less interest in procuring soybeans
5. Firmness at BMD and CBOT futures

Weather

Mainly dry weather over major producing areas would like to support trade activities and soybean arrivals.

TECHNICALS

The small filled candlestick with short lower shadow and long upper shadow indicates sellers remained dominant even though trading on both territory during most part of day. Stochastic is running smoothly forward to make bullish crossover. The prices kept below 9 days and 18 days EMA indicate weak prices. MACD are moving smoothly downward after bearish crossover. Both volume and OI increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	461	464	467.4	473	476

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Sell near 470; T1 467, T2 466 and put stop loss at 472.

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

Centres	12.12.06	11.12.06	Change
Mumbai (Soy Ref oil)+VAT	445	452	-7
Indore (Soy Ref oil)+VAT	435	435	0
Kota (Soy Ref. Oil)+VAT	448	447	+1
Hyderabad (Soy Ref)+VAT	445	445	0
Rajkot (Soy Ref)+Tax	458	458	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Finish High

The most active February contract of crude palm oil ended MYR 14 up at MYR1,908 per metric ton at Bursa Malaysian Derivatives to stay in competition with gains of crude soy oil futures at CBOT. New demand to build up inventories as well as long-terms demand from India and China supported firmness on third consecutive day. Market ignored the bearish impact of SGS cargo surveyor import figures on above bullish impacts.

Domestic Spot Market Highlights

The recent release from SGS cargo highlighted crude palm oil export to India fell by 88.37% during the period of Dec. 1-10 due to lack of domestic demand mainly to its property to solidified at low temperature resulting price to remains range bound. The CIF prices of crude palm oil quoted at \$560 per metric ton for January shipment on Tuesday. The poor demand these days reduce possibility in price improvement of palm oil in coming days.

BMD: CPO Futures (12.12.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1870	1890	1898	1890	1885	+15	226
Jan.07	1882	1900	1922	1891	1898	+16	960
Feb.07	1894	1912	1935	1900	1909	+15	9106
Mar.07	1904	1920	1946	1910	1918	+14	4661
Apr.07	1905	1918	1938	1914	1923	+18	293

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.12.06	11.12.06	Change
Kandla CPO (5 % FFA)	405	405	0
Kandla RBD Palmolein +VAT	426	426	0
Mumbai RBD Palmolein +VAT	443	443	0
Chennai RBD Palmolein +VAT	453	450	+3
Kakinada RBD Palmolein +VAT	430	427	+3
Hyderabad RBD Palmolein	465	466	-1
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

In order to enhance mustard seed sell, Nafed dropped a significant amount of Rs. 50 to Rs. 1800 per quintal for the stock of 2005/06. Spot market prices of mustard oil remains mixed amidst steady to poor physical with low meal demand from exporters. The less interest of millers at these high mustard seed prices likely to witness further price fall in coming days.

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

Centres	12.12.06	11.12.06	Change
Mumbai (Exp. Oil) +VAT	455	455	0
Kota (Expeller Oil)+VAT	430	430	0
Jaipur (Expeller Oil)+VAT	435	433	+2
Delhi (Expeller Oil)	460	465	-5
Neewai (Expeller Oil) +VAT	425	428	-3

Groundnut Refine Oil

Groundnut refined oil prices remains range bound amidst mostly steady demand in the spot market along with weak sentiments in other vegetable oil. The low interest of stockists anticipated by further decline in oil prices added the bearish tone in the market. In Rajkot, shelled groundnut quoted at Rs.399/20kg on Tuesday. In these arrival conditions, cotton refined oil price likely to remains steady in coming days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.12.06	11.12.06	Change
Mumbai +VAT	548	548	0
Rajkot +VAT	535	530	+5
Andhra Region +VAT	600	600	0
Chennai +VAT	565	570	-5
Delhi	540	540	0

Sunflower Refine Oil

Marginally improvement in CIF prices of sunflower oil and steady arrival helped sunflower refined oil prices range bound. The CIF prices of sunflower oil quoted at \$740 for January shipment on Tuesday. Sunflower oil prices likely to modulated by arrival pressure in coming days.

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

Centres	12.12.06	11.12.06	Change
Mumbai +VAT	580	580	0
Chennai +VAT	590	585	+5
Hyderabad +VAT	590	590	0

Cotton Refine Oil

Cotton refined oil prices stood on firm note on emergence of new demand in the physical market, steady cottonseed arrivals and steadiness in soy oil prices (influences of soybean in high on cotton these days as both are arrival crops). Traders are expecting further price improvement on underlying stockists demand.

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

Centres	12.12.06	11.12.06	Change
Mumbai +VAT	442	438	+4
Hyderabad +VAT	440	440	0
Rajkot + VAT	432	427	+5
Delhi	426	430	-4

Forex Rates

(As on 12.12.2006)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	44.82
European Union	Euro	59.39
Japan	100 Yen	38.33
United Kingdom	Pound Sterling	87.89

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	Expected
Kandla	Chemroad	23,000	CPO	Expected
	Olympic	14,284	CPO	Expected
	Central Success	8,000	CPO	Expected
Kolkata	Siam Bhavas	3,800	CPO	Expected
	Hua Yun-5	3,150	CPO	Expected
	Hua Yun-5	6,650	CPO	Arrived

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