

VEGOIL DAILY

January 01st, 2006

REFINED SOY OIL

FUNDAMENTALS

Spot prices of refined soy oil stood weak on poor domestic demand and indecisive mood of overseas market coupled with unchanged CIF prices and mixed overnight CBOT ignored bullish USDA exports sales report. Although, soybeans production improved this year but most of producer hold by stockist and producer waiting prices to become dearer and releasing in same quantity results steady arrival but less aggressive buying depressed market. The CIF prices of crude soy oil unchanged and quoted at \$723 per ton for January shipment on Saturday. Traders are expecting volatile market on year-end celebration at overseas market. The NCDEX soy oil futures witnessed speculative selling on follow-through sentiments during most part of trade day.

PRICE DRIVERS:

1. Sluggish domestic demand
2. Low BMD crude palm oil futures
3. Unchanged crude soy oil CIF prices
4. Steady beans arrivals
5. Bullish USDA exports sales report

Weather

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

TECHNICALS

The filled red candlesticks with short lower and upper longer shadow indicated sellers' dominated. Stochastic is moving freely downward after making bearish crossover. The prices touched 9 days EMA and 18 days EMA indicated indecisiveness. MACD is moved forward to make bearish crossover. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	462	466	471.55	481	485

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy Below 472; T1 near 475, T2 476 and put stop loss at 470.

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

Centres	30.12.06	29.12.06	Change
Mumbai (Soy Ref oil)+VAT	458	464	-6
Indore (Soy Ref oil)+VAT	440	445	-5
Kota (Soy Ref. Oil)+VAT	450	452	-2
Hyderabad (Soy Ref)+VAT	475	475	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

In lack of direction from overseas market, steady demand and steady CIF prices pushed domestic palm oil market to weaker side. The CIF prices of crude palm oil quoted at \$600 per ton for January shipment on Saturday. Due to closing BMD CPO futures on January 1&2, domestic market likely to remain volatile on these days.

BMD: CPO Futures (29.12.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	2020	2006	2016	1995	1997	-23	263
Feb.07	2040	2040	2040	1996	2000	-40	955
Mar.07	2032	2038	2040	1994	1995	-37	6613
Apr.07	2030	2037	2037	1995	1999	-31	1501
May.07	2036	2020	2027	1995	1995	-41	230

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	30.12.06	29.12.06	Change
Kandla CPO (5 % FFA)	421	422	-1
Kandla RBD Palmolein +VAT	440	440	0
Mumbai RBD Palmolein +VAT	460	464	-4
Chennai RBD Palmolein +VAT	470	470	0
Kakinada RBD Palmolein +VAT	460	460	0
Hyderabad RBD Palmolein +VAT	478	471	+7
Delhi RDB Palmolein	465	475	-10

Rape/Mustard oil

Mustard oil prices stood weak in the spot market on sluggish demand. Nafed reduced its mustard seed prices again at Rs. 1735/65 for 100kg for stock during 2005/06 on Saturday. Nafed liquidated nearly 2.5 lakh tons of mustard seeds during December month up to 26th depressed market. Traders are expecting its prices to go down further due to aggressive mood of Nafed.

Refined Groundnut Oil

Spot market price of refined groundnut oil remains dull on low aggressive mood of market and lacking fresh fundamental news. In Rajkot market, shelled groundnut available at Rs. 425 per 20kg on Saturday. Weak meal demand from exporters, likely to have same impact in coming days.

Refined Sunflower Oil

The improved seeds arrivals with balance demand and supply fixed refined sunflower oil prices range bound in the domestic market. The CIF prices of sunflower oil quoted at \$700 per ton for January shipment on Saturday. Traders are expecting its prices likely to move accordingly to other vegetable oils.

Refined Cotton Oil

Refined cotton oil price decreased in the domestic market on continuous sluggish demand. Seeds arrivals improved slightly added bearish tone in the market. Traders are expecting underlying bullish impact of global market likely to have same impact in the domestic market.

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

Centres	30.12.06	29.12.06	Change
Mumbai (Exp. Oil) +VAT	465	463	+2
Kota (Expeller Oil)+VAT	430	437	-7
Jaipur (Expeller Oil)+VAT	433	440	-7
Delhi (Expeller Oil)	465	465	0
Neewai (Expeller Oil) +VAT	430	432	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	30.12.06	29.12.06	Change
Mumbai +VAT	580	585	-5
Rajkot +VAT	560	555	+5
Andhra Region +VAT	660	660	0
Chennai +VAT	625	625	0
Delhi	560	565	-5

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

Centres	30.12.06	29.12.06	Change
Mumbai +VAT	570	570	0
Chennai +VAT	595	595	0
Hyderabad +VAT	585	585	0

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

Centres	30.12.06	29.12.06	Change
Mumbai +VAT	458	462	-4
Hyderabad +VAT	465	468	-3
Rajkot + VAT	445	446	-1
Delhi	440	440	0

Forex Rates

(As on 30.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.25
European Union	Euro	58.40
Japan	100 Yen	37.18
United Kingdom	Pound Sterling	86.68

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	11,000	Palm oil	Expected (05.01.2007)
	Fujigawa-III	10,800	Palm oil	Expected (30.12.2006)
Chennai	Venus 7	9014	CPO	Berthed (29.12.2006)
Kandla	Gemini	10,500	CPO*	Expected (31.12.2006)
	Shintuku	15,000	Palm oil	Expected (03.01.2007)
Kolkata	Shima Kaze	6,500	CPO	Arrived (29.12.2006)
Manglore	Marida Patnus	15,000	CPO	Berthed (26.12.2006)
	Nogoginy	5,000	CPO	Expected (03.01.2007)
Mundra	Theresa Jupiter	15,500	CPO	Expected (01.01.2007)
Tuticorin	Sichem Padua	5,600	Palm oil	Expected (30.12.2006)

*with CPS and PFAD

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