

VEGOIL DAILY

December 26th, 2006

REFINED SOY OIL

FUNDAMENTALS

Increased CIF prices and CBOT soy oil futures with improved domestic demands amidst celebration moods ahead of Christmas and year-ends cast firmness in spot market prices of refined soy oil. Beans arrivals remain steady but aggressive buying had bullish impact in the market. Nil import of soy oil in last month and constantly depleting stock on decline crushing these days supported its prices too. The CIF prices of crude soy oil quoted at \$707 per ton for January shipment on Saturday. More outbreaks of bird flu in Vietnam and further invade in Nigeria likely to have bearish impact in overseas and domestic market. Firmness in CBOT supported speculative buying on NCDEX soy oil futures during trade day.

PRICE DRIVERS:

1. Improvement in domestic demand
2. Firmness in overseas market
3. Increased crude soy oil CIF prices
4. Depleting soy oil stocks
5. Low crushing

Weather

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

TECHNICALS

The long hollow green candlesticks with short lower and upper longer shadow indicated buyers prominent in the market. Stochastic moved freely upwards after bullish crossover left oversold region below. The prices stood above 9 days EMA and 18 days EMA indicated firmness in the market. MACD is approaching from negative territory to make bullish crossover. Volume declined but open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	462	465	472.6	478	482

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy above 470; T1 near 472, T2 473 and put stop loss at 468.

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

Centres	23.12.06	22.12.06	Change
Mumbai (Soy Ref oil)+VAT	452	450	+2
Indore (Soy Ref oil)+VAT	436	438	-2
Kota (Soy Ref. Oil)+VAT	453	448	+5
Hyderabad (Soy Ref)+VAT	465	460	+5
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

Crude palm oil futures remained closed on Saturday.

Domestic Spot Market Highlights

Improved domestic demand, CIF prices and sideline support from soy oil firmed spot market prices of palm oil. Bullish sentiments over long-term oil supply amidst flood conditions in parts of Malaysia had some bullish impact in the spot market. The crude palm oil CIF prices quoted at \$572 per ton for January shipment on Saturday. Traders are expecting palm oil prices likely to improve further on bullish sentiments over supply in coming days.

BMD: CPO Futures (22.12.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1860	1871	1894	1871	1890	+30	385
Feb.07	1875	1880	1898	1878	1891	+16	1214
Mar.07	1882	1889	1907	1886	1901	+19	4110
Apr.07	1886	1893	1910	1893	1905	+19	939
May.07	1891	1900	1913	1900	1909	+18	153

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price (Rs. Per 10 kg)

Centres	23.12.06	22.12.06	Change
Kandla CPO (5 % FFA)	407	407	0
Kandla RBD Palmolein +VAT	432	430	+2
Mumbai RBD Palmolein +VAT	453	452	+1
Chennai RBD Palmolein +VAT	463	460	+3
Kakinada RBD Palmolein +VAT	442	438	+4
Hyderabad RBD Palmolein +VAT	460	458	+2
Delhi RDB Palmolein	465	465	0

Rape/Mustard oil

Domestic spot market prices of mustard oil stood firm on continuous rising winter demand and delay toria arrival. Nafed further improved its mustard seed prices to Rs. 1745 per quintal for stocks of 2005/06 had underlying bullish impact. Mustard oil prices likely to stay firm on increased consumers demand ahead.

Refined Groundnut Oil

Strong buying for groundnut refined oil was reported in most of centres in anticipation of low availability of seed for crushing in coming days would lower oil supply had bullish impact in the spot market. In Rajkot market, shelled groundnut quoted at Rs. 410 per 20kg on Saturday. In present crushing conditions, its prices likely to flourish in coming day.

Refined Sunflower Oil

Continuous steady demand and CIF prices of sunflower oil confirmed range bound prices in many centres. Some short of sunflower oil supply kept prices high in Chennai market. The CIF prices of sunflower oil quoted at \$678 per ton for January shipment on Saturday. Traders are expecting its prices to remain steady on dull sentiments for seeds arrivals in near-term.

Refined Cotton Oil

Rising vegetable oil prices and increased demand strengthen refined cotton oil prices in the spot market. Slightly short arrivals added bullish impact. In continuous rising demand of cotton oil would have bullish impact in the domestic market in near-term.

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

Centres	23.12.06	22.12.06	Change
Mumbai (Exp. Oil) +VAT	455	452	+3
Kota (Expeller Oil)+VAT	435	428	+7
Jaipur (Expeller Oil)+VAT	433	431	+2
Delhi (Expeller Oil)	460	457	+3
Neewai (Expeller Oil) +VAT	432	430	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	23.12.06	22.12.06	Change
Mumbai +VAT	575	570	+5
Rajkot +VAT	550	550	0
Andhra Region +VAT	650	605	+45
Chennai +VAT	600	590	+10
Delhi	540	520	+20

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

Centres	23.12.06	22.12.06	Change
Mumbai +VAT	575	575	0
Chennai +VAT	590	590	0
Hyderabad +VAT	610	600	+10

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

Centres	23.12.06	21.12.06	Change
Mumbai +VAT	452	445	+7
Hyderabad +VAT	455	450	+5
Rajkot + VAT	445	440	+5
Delhi	435	425	+10

Forex Rates

(As on 23.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.37
European Union	Euro	58.25
Japan	100 Yen	37.33
United Kingdom	Pound Sterling	86.88

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Integrity I	3,000	Palm oil	Arrived (19.12.2006)
Kandla	Integrity 1	11,750	CPO*	Expected (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 (22.12.006)
Manglore	Marida Patnus	15,000	CPO	Expected (25.12.2006)
	Global Pallas	6,000	CPO	Arrived (22.12.2006)
	Gulf Dove	5,000	SBO	Expected (23.12.2006)
Mundra	Theresa Jupiter	15,500	CPO	Expected (31.12.2006)

*with CPS and PFAD

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2005 Indian Agribusiness Systems Pvt Ltd.