

VEGOIL DAILY

December 08th, 2006

REFINED SOY OIL

FUNDAMENTALS

Soy refined oil prices stood weak at the spot market on low physical demand, lack of new fundamental news and improved arrival. Oilmeal export during November month increased by nearly 40% against corresponding period last year had bearish impact by surplus soy oil stock and poor offtake in the domestic market along with continuous decline of soybean prices had similar effect. The weak advices from overseas market and steep fall in crude soy oil CIF prices replicated with similar sentiment in the domestic market. The CIF prices of crude soy oil quoted at \$ 722 for January shipment on Thursday. Low excitement over USDA exports sales of soybeans complex added the bearishness in the market. In the current situations, soy oil prices likely to steady to weak depending on movement of overseas market. NCDEX soy oil futures slightly bullish even after bearishness in CBOT soy oil futures and crude palm oil futures at BMD. Price recovered after profit taking and in expectation of long-term demand.

PRICE DRIVERS:

1. Low soybeans prices
2. Low domestic demand
3. Steady arrival pressure
4. Weakness in crude oil and soy oil futures at CBOT
5. Weakness in crude soy oil CIF prices.

Weather

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

TECHNICALS

The short filled candlestick with upper short and lower longer shadow indicates choppy trading and buyers dominant during second trade-session. Stochastic reached to oversold regions and moving upward to mark bullish crossover.. The prices remained below 9 days and 18 days EMA indicating weakness in prices. MACD are moving freely to downwards after making bearish crossover. Both volume and OI increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	460	462	469.35	476	478

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy near 468; T1 472, T2 473 and put stop loss at 465.

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

Centres	07.11.06	06.12.06	Change
Mumbai (Soy Ref oil)+VAT	452	455	-3
Indore (Soy Ref oil)+VAT	436	443	-7
Kota (Soy Ref. Oil)+VAT	450	450	0
Hyderabad (Soy Ref)+VAT	445	448	-3
Rajkot (Soy Ref)+Tax	455	460	-5

PALM OIL

International Highlights

BMD Crude Palm oil Futures Ends Mixed

Crude palm oil futures at Bursa Malaysian Derivatives finished mixed. The most active February contract settled MYR 3 down at MYR 1,850 per metric ton on choppy trading, weakness in soy oil futures at CBOT and strong ringgit. Early selling pressure in palm oil recovered on expectation of bullish data to be present by Dorby Ministry on Friday and short covering.

Domestic Spot Market Highlights

Palm oil prices remains mixed in the spot market on follow-through sentiments and higher spot market prices. Although in winter-season, palm oil demand likely to decline to handle low palm oil production in Malaysia during same period added bears in the market. Trades refused any sudden improvement of demand in coming days.

BMD: CPO Futures (07.12.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Dec.06	1831	1812	1840	1812	1833	+2	223
Jan.07	1840	1825	1847	1817	1836	-4	1952
Feb.07	1853	1838	1860	1827	1850	-3	6771
Mar.07	1858	1846	1866	1834	1855	-3	2556
Apr.07	1861	1842	1860	1838	1860	-1	144

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	07.12.06	06.12.06	Change
Kandla CPO (5 % FFA)	408	406	+2
Kandla RBD Palmolein +VAT	425	427	-2
Mumbai RBD Palmolein +VAT	442	442	0
Chennai RBD Palmolein +VAT	448	448	0
Kakinada RBD Palmolein +VAT	428	430	-2
Hyderabad RBD Palmolein	460	465	-5
Delhi RDB Palmolein	470	462	+8

Rape/Mustard oil

Spot market prices of mustard oil plunge on lack of demand. However, some resistant seen in Delhi where, emergence of new demand supported its price. Nafed kept mustard seed prices unchanged to third consecutive day to support buying and quoted at Rs. 1850 per quintal for last year stock. Under extending bearish market sentiments, traders refused any abrupt improvement.

Groundnut Refine Oil

Groundnut refined oil prices mostly down on weakness in other vegetable oils, low demand and increased supply. In Chennai slightly shortage pushed price up. In Rajkot market shelled groundnut quoted at Rs.396/20kg to remains in same tune with weak prices. On lack of big movement in demand, traders are expecting prices to repeat in coming days.

Sunflower Refine Oil

Weakness in CIF prices of sunflower refined oil on bearish trends in other vegetable oil, poor domestic demand with some improvement in sunflower seed arrival had similar impact in physical market. CIF prices of sunflower oil quoted at \$ 740 for January shipment on Thursday. Traders are expecting decline in prices on weak advice of other vegetable oils in near terms.

Cotton Refine Oil

Influence of overseas market on soy and cotton refined oil is high these days. Arrivals remains steady but low offtake had bearish impact coupled with strong sentiments of further price fall. Development in overseas market will be guiding force for cotton refined oil in coming days.

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

Centres	07.11.06	06.12.06	Change
Mumbai (Exp. Oil) +VAT	455	455	0
Kota (Expeller Oil)+VAT	432	440	-8
Jaipur (Expeller Oil)+VAT	437	448	-11
Delhi (Expeller Oil)	470	465	+5
Neewai (Expeller Oil) +VAT	432	437	-5

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	07.11.06	06.12.06	Change
Mumbai +VAT	558	560	-2
Rajkot +VAT	530	535	-5
Andhra Region +VAT	600	610	-10
Chennai +VAT	575	570	+5
Delhi	540	540	0

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

Centres	07.11.06	06.12.06	Change
Mumbai +VAT	585	590	-5
Chennai +VAT	600	602	-2
Hyderabad +VAT	590	600	-10

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

Centres	07.11.06	06.12.06	Change
Mumbai +VAT	440	442	-2
Hyderabad +VAT	435	438	-3
Rajkot + VAT	438	445	-7
Delhi	435	435	0

Forex Rates

(As on 07.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.66
European Union	Euro	59.44
Japan	100 Yen	38.86
United Kingdom	Pound Sterling	87.92

PORT-WATCH (Latest):**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	MT ACE 7	6,070	Palm oil	Expected
	Global Eros	10,996	Palm oil	Expected
Kandla	M.T. SC Singapor	4,000	CPO	Expected
	M.T. Nora	6,600	Palm oil	Expected
	Central Success	8,000	CPO	Expected
Kolkata	Shima Kaze	2,500	CPO	Arrived

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