

## VEGOIL DAILY

December 30th, 2006

### REFINED SOY OIL

#### FUNDAMENTALS

Firmness at CBOT, bullish anticipation for USDA exports sales and increased domestic demand supported gains in refined soy oil in the spot market despite fall at BMD and crude oil. Stockists showed interest for fresh buying coupled with other factors like expectation for change in tariff duty on imported oil and slight improvement in CIF prices had some bullish impact in the domestic market. Whereas, beans arrivals improved but aggressive buying support firmness. The CIF prices of crude soy oil quoted at \$723 per ton for January shipment on Friday. The NCDEX soy oil futures synchronized with BMD and witnessed speculative selling during most part of trade-day.

#### PRICE DRIVERS:

1. Weak domestic demand
2. Low BMD crude palm oil futures
3. Spiralling crude soy oil CIF prices
4. Declined beans arrivals

#### Weather

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

#### TECHNICALS

The long filled red candlesticks with short lower shadow pointed towards seller overpowered the trade-session. Stochastic is moving freely downward after making bearish crossover. The prices remains above 9 days EMA and 18 days EMA indicated some underlying firmness. MACD is moving forward to make bearish crossover. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	460	464	471.55	478	482

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

**Sell Below 473;** T1 near 470, T2 469 and put stop loss at 475.

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

Centres	29.12.06	28.12.06	Change
Mumbai (Soy Ref oil)+VAT	464	459	+5
Indore (Soy Ref oil)+VAT	445	445	0
Kota (Soy Ref. Oil)+VAT	452	450	+2
Hyderabad (Soy Ref)+VAT	475	470	+5
Rajkot (Soy Ref)+Tax	460	460	0

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Finish Up

Lack of rallies as holiday cheers ahead of year-end and profit taking weakens crude palm oil futures at Bursa Malaysian Derivatives on Friday. Lack of fresh fundamental news and low excitement over SGS cargo surveyor estimation for December month aids bearish tone to the market and kept market below psychological barrier of MYR 2,000 per ton. The crude palm oil March contract finished MYR37 down at MYR1,995 per ton.

### Domestic Spot Market Highlights

Firmness in other vegetable oil had spill over effect on palm oil and further supported by improved domestic demand. As well market borrowed some acceleration on anticipation for import oil would be costlier in near-term on declined supply for major producing countries. The CIF prices of crude palm oil stood unchanged at \$600 per ton for January shipment on Friday.

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	29.12.06	28.12.06	Change
Kandla CPO (5 % FFA)	422	418	+4
Kandla RBD Palmolein +VAT	440	NA	-
Mumbai RBD Palmolein +VAT	464	459	+5
Chennai RBD Palmolein +VAT	470	466	+4
Kakinada RBD Palmolein +VAT	460	455	+5
Hyderabad RBD Palmolein +VAT	471	468	+3
Delhi RDB Palmolein	475	465	+10

### Rape/Mustard oil

Low excitement over fall in rapeseed sowing more than 9% at 65.43 lakh hectare up to December 21, mustard oil prices remained weak on poor domestic demand. Nafed kept mustard prices same to yesterday at Rs. 1755/75 per quintal for the stock of 2005/06. Mustard oil prices likely to remain range bound in coming days on lack of fresh fundamental development.

### Refined Groundnut Oil

Closure of many mills put pressure on rest of operation mills results low output of groundnut oil against market actual requirement had bullish impact on spot prices of refined groundnut oil. In Rajkot market, shelled groundnut quoted at Rs. 422 per 20 kg. Traders are expecting its prices to improve further on decline arrival in coming days.

### Refined Sunflower Oil

Steady demand and arrival of new vessel at port carrying sunflower oil had bearish impact in the spot market. Arrival also remains steady aids some weakness. As long vessel to discharge, further weakness is expected in coming day.

### Refined Cotton Oil

Spot prices of refined cotton oil remain firm synchronizing with gains in groundnut oil and increased demand in the spot market. Arrival stood steady aids bullish sentiments. Its prices likely to remains bullish on rising demand.

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

Centres	29.12.06	28.12.06	Change
Mumbai (Exp. Oil) +VAT	463	475	-12
Kota (Expeller Oil)+VAT	437	437	0
Jaipur (Expeller Oil)+VAT	440	440	0
Delhi (Expeller Oil)	465	460	+5
Neewai (Expeller Oil) +VAT	432	436	-4

### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	29.12.06	28.12.06	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	555	552	+3
Andhra Region +VAT	660	660	0
Chennai +VAT	625	620	+5
Delhi	565	555	+10

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

Centres	29.12.06	28.12.06	Change
Mumbai +VAT	570	580	-10
Chennai +VAT	595	592	+3
Hyderabad +VAT	585	590	-5

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

Centres	29.12.06	28.12.06	Change
Mumbai +VAT	462	456	+6
Hyderabad +VAT	468	465	+3
Rajkot + VAT	446	448	-2
Delhi	440	438	+2

### Forex Rates

(As on 29.12.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.23
European Union	Euro	58.26
Japan	100 Yen	37.21
United Kingdom	Pound Sterling	86.91

**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)
Kandla	Integrity 1	11,750	CPO*	Arrived (24.12.2006)
	Madura	14,000	CPO*	Arrived (26.12.2006)
	Shintuku	15,000	Palm oil	Expected (31.12.2006)
	Hari Kripa	2,000	Fatty Acid	Arrived (22.12.2006)
Kolkata	Shima Kaze	6,500	CPO	Expected (28.12.2006)
Manglore	Marida Patnus	15,000	CPO	Arrived (26.12.2006)
Mundra	Theresa Jupiter	15,500	CPO	Expected (01.01.2007)
Tuticorin	Sichem Padua	5,600	Palm oil	Expected (29.12.2006)

\*with CPS and PFAD

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