

VEGOIL DAILY

January 27th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil declined across physical markets amidst weak demand and improve influx from stockist for get good premium on anticipation for cheap availability import oil (palm oil and sunflower oil) into country on account of Government recent decision to cut down import duty. Market ignored firmed BMD. Weakness at CBOT aided bearishness. Hyderabad witnessed range bound prices on balance demand/supply while in Rajkot, less interest for soy oil as compare to other edible oil like groundnut and cotton oil result unchanged prices to yesterday. Crude soy oil CIF prices declined significantly and quoted at \$693/tonne to previous \$702/tonne for February shipment on Thursday. Soy oil prices likely to declined further in coming days on bullish sentiments for beans crushing ahead on improving meal demand.

FUTURES MARKET:

Soy oil futures at NCDEX settled down. The benchmark February contract opened Rs.2.85 down at Rs. 456/10kg to previous closing at Rs. 458.85/ctl. The soy oil February contract declined sharply in first half of trade days on aforesaid factors and later recovered on profit taking and bullish BMD. Market finished at Rs 1.2 down at Rs. 457.65/10kg to previous closing.

PRICE DRIVERS:

1. Bearish CBOT
2. Anticipation for bullish USDA exports sales data
3. Declined beans arrivals
4. Sluggish demand

Weather

Mainly dry weather in major growing areas would facilitate beans arrivals in near-term.

TECHNICALS

Refined soy oil futures recovered from yesterday but remained in the weak trend. Charts are showing continued weakness in the market. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD is heading downwards in negative region, which indicate increase in bullish momentum. Stochastics however are also negative in oversold region and came closer to mark bullish crossover. Volume increased but open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	450	453	457.65	465	468

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:

Sell Below 457; T1 455, T2 454 and then, put stop loss at 459.

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

Centres	25.01.07	24.1.07	Change
Mumbai (Soy Ref oil)+VAT	448	449	-1
Indore (Soy Ref oil)+VAT	430	434	-4
Kota (Soy Ref. Oil)+VAT	437	441	-4
Hyderabad (Soy Ref)+VAT	460	460	0
Rajkot (Soy Ref)+Tax	453	NA	-

PALM OIL

International Highlights

Crude Palm oil Futures Firm Up at BMD

The most active contract of crude palm oil futures ended MYR24 up at MYR1,880/tonne at Bursa Malaysia Derivatives on Thursday amidst profit taking and for anticipation of India's fresh buying on recent cut in import duty on crude palm oil to 60 % from earlier 70 % and on RBD palmolein oil to 67.5% from 80 %. Weak SGS exports sales estimation for palm oil also added bearishness coupled with lack of bullish development.

Domestic Spot Market Highlights

Sluggish domestic demand with poor trade activities for palm oil depressed palm oil prices in the spot market. Recent Government decision to reduction in palm oil duty had strong blow on physical market and prices declined sharply across domestic market. Crude palm oil CIF prices remained unchanged and quoted at \$580/tonne for February shipment on Thursday. In prevailing sluggish demand further fall could be experience in coming days.

BMD: CPO Futures (25.01.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1908	1915	1924	1914	1919	+11	181
Mar.07	1878	1975	1975	1875	1898	+20	806
Apr.07	1856	1852	1880	1852	1880	+24	7265
May.07	1845	1834	1948	1834	1860	+15	2375
Jun.07	1833	1845	1850	1834	1834	+1	42

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	25.01.07	24.01.07	Change
Kandla CPO (5 % FFA)	402	414	-12
Kandla RBD Palmolein +VAT	425	435	-10
Mumbai RBD Palmolein +VAT	445	451	-5
Chennai RBD Palmolein +VAT	450	455	-5
Kakinada RBD Palmolein +VAT	435	440	-5
Hyderabad RBD Palmolein +VAT	455	468	-13
Delhi RDB Palmolein	NA	465	-

CIF Price Basis Kandla Port (\$/ MT)

Edible Oil	25.01.07	24.1.07	Change
Crude Soy Oil	693	702	-9
Crude Palm Oil	580	NA	-
Sunflower Oil	689	694	-5

Rape/Mustard oil

Spot prices of mustard oil prices stood on weaker side on poor demand. Nafed reduced mustard seeds prices for Kota region and stood at Rs. 1670/qrtl to previous 1690/qrtl had some bearish impact. Mustard oil prices likely to soften further amidst anticipation for harvest of mustard seeds in few parts of Rajasthan.

Refined Groundnut Oil

Low demand and spillover impact of reduction in imported oil duty resulting refined groundnut oil traded weaker to yesterday. Stockists stood less active anticipating coming days may bring more weakness aided negative tone. Crushing remained steady. Improving meals demand from exporters likely to have bullish impact on oil prices in coming days.

Refined Sunflower Oil

Reduction of refined sunflower oil import duty and low demand coupled with sharp decline CIF price supported softening of refined sunflower oil prices. CIF prices quoted at \$689/tonne against yesterday's \$694/tonne for February shipment on Thursday. Traders are expecting prices to decline as prevailing seeds arrival pressure and float of new import order for sunflower oil in coming days.

Refined Cotton Oil

Good crushing and weakness in other edible oil casted weakness for refined cotton oil domestically. However, seeds arrivals remained steady and less aggressive buying aided some bearishness. Traders are expecting, its prices likely to move with other edible oil in coming days.

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

Centres	25.1.07	24.1.07	Change
Mumbai (Exp. Oil) +VAT	453	453	0
Kota (Expeller Oil)+VAT	412	414	-2
Jaipur (Expeller Oil)+VAT	418	419	-1
Delhi (Expeller Oil)	440	440	0
Neewai (Expeller Oil) +VAT	408	NA	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	25.01.07	24.01.07	Change
Mumbai +VAT	610	620	-10
Rajkot +VAT	610	NA	-
Andhra Region +VAT	670	675	-5
Chennai +VAT	640	630	+10
Delhi	NA	610	-

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

Centres	25.01.07	24.01.07	Change
Mumbai +VAT	575	575	0
Chennai +VAT	585	580	+5
Hyderabad +VAT	580	600	-20

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

Centres	25.01.07	24.01.07	Change
Mumbai +VAT	443	454	-11
Hyderabad +VAT	450	455	-5
Rajkot + VAT	433	NA	-
Delhi	NA	434	-

Forex Rates

(As on 25.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.24
European Union	Euro	57.33
Japan	100 Yen	36.77
United Kingdom	Pound Sterling	86.95

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Shima Kaze	6,572	CPO	Arrived (17.01.2007)
	Vernal Grace	3,700	CPO	Arrived (19.01.2007)
	Bow Plata	10,500	CPO	Arrived (19.01.2007)
Kandla	Pertiwi	12,000	Palm oil	Expected (22.01.2007)
	Samho Cygnus	5,300	Palm oil	Expected (30.01.2007)
	Ew Henfield	7,000	CDSBO	Expected (27.01.2007)
	Harsanadi	10,000	Palm oil	Expected (24.01.2007)
	Hari Kripa	2,000	CFA	Expected (22.01.2007)

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