

VEGOIL DAILY

January 23rd, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil remained mixed across domestic markets amidst steady to bullish sentiments. Firmness at BMD ignored on lack of strong demand for soy oil in the physical market. In Mumbai and Hyderabad, soy oil showed range bound prices on steady/demand while some interest from resellers had bullish impact in Indore and Kota. Crude soy oil CIF prices remained unchanged to Saturday and quoted at \$694/tonne for February shipment on Monday. In prevailing stockist mood, soy oil prices likely to remained steady to bearish in coming days.

FUTURES MARKET:

Soy oil futures at NCDEX finished down. The benchmark of February contract opened Rs. 1.55 down at Rs. 465.25/10kg to previous closing at Rs. 466.8/10kg. Strong bearish fundement sentiments in the physical market reflected on soy oil February contract despite bullish crude palm oil futures at BMD and market finished at Rs 3.6 down at Rs. 463.2/10kg to previous closing.

PRICE DRIVERS:

1. Unchanged crude soy oil CIF prices
2. Mixed demand
3. Increased soybeans arrivals
4. Bullish crude palm oil futures at BMD
5. Gains in crude oil prices

Weather

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

TECHNICALS

Filled candlestick with lower shadow pointed bearish sentiments. Seller dominated during the trade-session. Prices kept below 9 days EMA and 18 days EMA indicated lack of fresh development. Stochastic made bearish crossover and move forwards into oversold region. MACD is moving smoothly into negative territory. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	456	459	463.2	469	472

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:
Sell Below 465; T1 463, T2 462 and put stop loss at 467.

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

Centres	22.01.07	20.01.07	Change
Mumbai (Soy Ref oil)+VAT	453	453	0
Indore (Soy Ref oil)+VAT	434	437	+3
Kota (Soy Ref. Oil)+VAT	441	441	0
Hyderabad (Soy Ref)+VAT	465	465	0
Rajkot (Soy Ref)+Tax	455	461	-6

PALM OIL

International Highlights

Crude Palm oil Futures Finish Up at BMD

Today, BMD crude palm oil futures recovered from recent losses amidst Friday's gains at CBOT and sharp increased crude oil prices and most active April contract of crude palm oil finished MYR 20 up at MYR 1,895/tonne that remained below to psychological barrier of 1,900/tonne despite bearish exports sales data released by SGS cargo and weak technicals.

Domestic Spot Market Highlights

Palm oil spot prices remained range bound across domestic market on steady demand to supply and unchange crude soy oil CIF prices, which quoted at \$ 585/tonne for February shipment on Monday. Improved crude palm oil BMD futures had some bullish reflection on Kandla and Mumbai. Traders are keeping close eye on the development in overseas and domestic market and expecting bullish sentiments in coming days.

BMD: CPO Futures (22.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1919	1919	1943	1919	1928	+9	245
Mar.07	1893	1896	1921	1821	1914	+21	1350
Apr.07	1875	1878	1906	1876	1895	+20	7769
May.07	1865	1867	1890	1861	1879	+14	2109
Jun.07	1857	1870	1875	1870	1874	+17	30

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.01.07	20.01.07	Change
Kandla CPO (5 % FFA)	416	416	0
Kandla RBD Palmolein +VAT	435	434	+1
Mumbai RBD Palmolein +VAT	456	458	+2
Chennai RBD Palmolein +VAT	455	455	0
Kakinada RBD Palmolein +VAT	445	445	0
Hyderabad RBD Palmolein +VAT	468	468	0
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/ MT)

Edible Oil	22.01.07	20.01.07	Change
Crude Soy Oil	694	694	0
Crude Palm Oil	585	NA	-
Sunflower Oil	688	688	0

Rape/Mustard oil

Aggressive selling of mustard seeds by Nafed and stockists with regular offtake from millers/crushers had mixed advice on mustard oil across the domestic market. In Rajasthan region sluggish demand results weak prices. Nafed kept unchanged mustard seeds prices at Rs. 1695/1735 per qtl [seeds stocked during 2005/06]. On prevailing release of mustard seeds from stockists, mustard oil prices are expecting to weak in coming days.

Refined Groundnut Oil

Refined groundnut oil prices remained range bound across most of the markets on balance in demand and supply while in Hyderabad slight shortage had bullish reflection. In Rajkot market, shelled groundnut quoted at Rs. 442/20kg [bag] with weak arrivals of 35,000-40,000 bags against previous 40-50,000 bags. It prices likely to increase further on underlying bullish sentiments.

Refined Sunflower Oil

Steady demand and sunflowers seeds arrivals with unchanged sunflower oil CIF prices kindled spot prices of refined sunflower oil to range bound in the physical market. The CIF prices quoted at \$688/tonne for February shipment on Monday. Traders are expecting its prices likely to move according to other vegetable oils in coming days.

Refined Cotton Oil

Mixed demand for refined cotton oil had mirrored similar sentiments in the spot market. In Hyderabad, some improvement in demand supported prices improvement. Traders are expecting its prices likely to improve further on increasing demand as well as underlying bullish impact of overseas market.

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

Centres	22.01.07	20.01.07	Change
Mumbai (Exp. Oil) +VAT	455	453	+2
Kota (Expeller Oil)+VAT	413	414	-1
Jaipur (Expeller Oil)+VAT	418	422	-4
Delhi (Expeller Oil)	448	448	0
Neewai (Expeller Oil) +VAT	413	414	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	22.01.07	20.01.07	Change
Mumbai +VAT	608	608	0
Rajkot +VAT	590	590	0
Andhra Region +VAT	675	670	+5
Chennai +VAT	630	630	0
Delhi	610	610	0

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

Centres	22.01.07	20.01.07	Change
Mumbai +VAT	570	570	0
Chennai +VAT	575	575	0
Hyderabad +VAT	580	575	+5

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

Centres	22.01.07	20.01.07	Change
Mumbai +VAT	455	455	0
Hyderabad +VAT	465	453	+12
Rajkot + VAT	436	438	-2
Delhi	435	435	0

Forex Rates

(As on 22.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.21
European Union	Euro	57.34
Japan	100 Yen	36.43
United Kingdom	Pound Sterling	87.30

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Pertiwi	7,700	Palm oil	Arrived (18.01.2007)
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 (26.01.2007)
	Harsanadi	10,000	Palm oil	Expected (24.01.2007)
	Hari Kripa	2,000	CFA	Expected (22.01.2007)
Chennai	Marida Princess	6,130	CPO	Berthed (20.01.2007)
	Hari Ocean	7,250	CPO	Arrived (20.01.2007)

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