

VEGOIL DAILY

January 06th, 2007

REFINED SOY OIL

FUNDAMENTALS

Domestic spot market of refined soy oil remained on bullish mood amidst tracking BMD, bullish anticipating of USDA export sales estimations combined with improved domestic demand despite declined crude soy oil CIF prices and weak meal demand. Although, crushing slightly improved on likely upward prices movement of soy oil ahead. Crude soy oil prices quoted at \$706/tonne for January shipment on Friday. Traders are expecting its prices to move further on underlying bullishness at BMD on heavy rain prediction in Malaysia in coming days. NCDEX soy oil futures witnessed speculative buying following BMD futures during trade day.

PRICE DRIVERS:

1. Weakness at BMD
2. Bullish anticipation for USDA export sales
3. Declined crude soy oil CIF prices
4. Low arrivals with weak demand
5. Fall crude oil prices

Weather

Mainly dry weather likes over central and western regions would remain supportive for trade activities.

TECHNICALS

The long green candlestick with short lower and long upper shadow indicates follow-through bullish sentiments. Stochastic approached to oversold regions with low divergence. Prices touched 9 days and 18 days EMA indicating underlying bullish sentiments. MACD made bearish crossover and moving forward in positive territory. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	457	460	468	475	478

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy Above 465; T1 near 467, T2 468 and put stop loss at 463.

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

Centres	05.01.07	04.01.07	Change
Mumbai (Soy Ref oil)+VAT	457	457	0
Indore (Soy Ref oil)+VAT	436	434	+2
Kota (Soy Ref. Oil)+VAT	445	450	-5
Hyderabad (Soy Ref)+VAT	470	460	+10
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Settle Up

Short-covering and predictions for heavy rains in major growing areas supported rebound crude palm oil futures at Bursa Malaysian Derivatives on Friday despite devoid of fresh fundamental news concerning demand/supply and overnight weakness at CBOT. Bullish anticipations of exports sales estimations by Malaysian Palm oil Board (MPOB) to be release in coming week had some bullish impact. Most active crude palm oil futures contract at BMD ended MYR42 up at MYR1,961/tonne.

Domestic Spot Market Highlights

Unchanged CIF prices and improved BMD crude palm oil futures mirrored mixed palm oil prices in the physical market. Increased import of crude palm oil and its fractions by 36% during April to November from latest release of Ministry of Commerce and Industry had some bullish impact. Crude palm oil prices quoted at \$595/tonne for January shipment on Friday. Palm oil prices likely to remains high in coming days on underlying bullish impacts over supply from major producing countries.

BMD: CPO Futures (05.01.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1971	1940	1971	1940	+47	1924	236
Feb.07	1964	1915	1967	1915	+48	1916	860
Mar.07	1962	1915	1970	1911	+43	1919	12798
Apr.07	1957	1914	1964	1911	+39	1918	3863
May.07	1951	1908	1957	1908	+34	1917	164

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	05.01.07	04.01.07	Change
Kandla CPO (5 % FFA)	416	415	+1
Kandla RBD Palmolein +VAT	435	435	0
Mumbai RBD Palmolein +VAT	456	456	0
Chennai RBD Palmolein +VAT	461	465	-4
Kakinada RBD Palmolein +VAT	450	452	-2
Hyderabad RBD Palmolein +VAT	465	457	+8
Delhi RDB Palmolein	465	465	0

Rape/Mustard oil

Mixed domestic demand had same reflection on mustard oil prices in the spot market. Nafed revised mustard seeds prices and quoted at Rs. 1700/1735 per quintal for stock during 2005/06 with stock position about 13.5 lakh tons had underlying bullish impact. Slight improvement in mustard oil prices could be seen in near future on dormant demand.

Refined Groundnut Oil

Bullish anticipation for Rabi crop of groundnut on prevailing good weather conditions pushed spot prices of refined groundnut oil down coupled with sluggish demand. In Rajkot market, shelled groundnut prices unchanged and quoted at Rs. 430 per 20kg. Weak meals demand from exporters likely to have bearish impact on groundnut oil in coming days.

Refined Sunflower Oil

Declined CIF prices, abrupt increase of sunflower seed arrivals and continuous discharging of new vessel at port crushed spot prices of refined sunflower oil in the domestic market. The CIF prices of sunflower oil quoted at \$693 per tonne for January shipment on Friday. Seeds arrivals status likely to keeps bears up in coming days.

Refined Cotton Oil

Steady cottonseeds arrivals, improved demand and bullish impact of soy oil reflected with similar sentiments on refined cotton oil in the domestic market. Development in global markets and soy oil would have similar impact on cotton oil in coming days.

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

Centres	05.01.07	04.01.07	Change
Mumbai (Exp. Oil) +VAT	450	450	0
Kota (Expeller Oil)+VAT	415	418	-3
Jaipur (Expeller Oil)+VAT	420	422	-2
Delhi (Expeller Oil)	450	445	+5
Neewai (Expeller Oil) +VAT	420	420	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	05.01.07	04.01.07	Change
Mumbai +VAT	580	580	0
Rajkot +VAT	560	560	0
Andhra Region +VAT	645	650	-5
Chennai +VAT	600	610	-10
Delhi	565	565	0

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

Centres	05.01.07	04.01.07	Change
Mumbai +VAT	535	545	-10
Chennai +VAT	570	585	-15
Hyderabad +VAT	540	550	-10

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

Centres	05.01.07	04.01.07	Change
Mumbai +VAT	448	450	-2
Hyderabad +VAT	455	450	+5
Rajkot + VAT	438	436	+2
Delhi	440	433	+7

Forex Rates

(As on 05.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.30
European Union	Euro	57.92
Japan	100 Yen	37.42
United Kingdom	Pound Sterling	85.83

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	11,000	Palm oil	Expected (06.01.2007)
	Fujigawa-III	10,800	Palm oil	Arrived (30.12.2006)
Kandla	M.T. Perka	18,000	SBO	Expected (06.01.2007)
	Shintuku	15,000	Palm oil	Arrived (03.01.2007)
Kolkata	Shima Kaze	6,500	CPO	Arrived (29.12.2006)
Manglore	Nogoginy	5,000	CPO	Expected (04.01.2007)
	Marida Patnus	15,000	CPO	Arrived (26.12.2006)
Mundra	Theresa Jupiter	15,500	CPO	Arrived (02.01.2007)
Tuticorin	Spring Glory	7,300	Palm oil	Expected (04.01.2007)

*With CPS and PFAD

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