

## VEGOIL DAILY

January 12th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

There is no significant change of spot prices of refined soy oil have been noticed to yesterday and refined soy oil declined again on third consecutive days amidst poor domestic demand. Soy oil arrivals remained low in the market to meet the daily basis consumption as traders refused long-term bullishness in the market. Sharp fall of CIF prices and mixed CBOT had bearish advice in the spot market. The crude soy oil CIF prices quoted at \$679/ton for February shipment on Thursday. Traders are in wait and watch situation and looking closely over development in overseas market.

#### FUTURES MARKET:

Soy oil futures at NCDEX opened firmed Rs.1.1 at Rs. 468.15 per 10 kg to last closing at Rs. 467/10kg. Soy oil futures witnessed speculative selling during most of trade days and later recovered on bullish BMD. Market finished Re 1 up at Rs. 468/10kg to yesterday closing at Rs. 467/10kg.

#### PRICE DRIVERS:

1. Bullish sentiments at BMD
2. Steep declined crude soy oil CIF prices
3. Poor domestic demand
4. Declined crude oil prices
5. Pressure from other cheaper edible oil

#### Weather

Mainly dry weather in major growing areas would support beans arrivals pressure in near-terms.

#### TECHNICALS

The candlestick with long lower shadow indicated buyer's involvement in later part of trade-day in sellers dominated day. Stochastic made bullish crossover in the oversold region and facing upward showing underlying bullish sentiments. Prices came close to 9 days and 18 days EMA indicated firm bullish sentiments. MACD further progressed in the negative territory. Volume increased and open interest declined.



#### SUPPORT / RESISTANCES:

| Contract   | S2  | S1  | PCP | R1  | R2  |
|------------|-----|-----|-----|-----|-----|
| NCDEX-Feb. | 460 | 463 | 468 | 474 | 476 |

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:

**BUY Above 467, T1 470 and put stop loss at 465.**

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

| Centres                  | 11.01.07 | 10.01.07 | Change |
|--------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 452      | 452      | 0      |
| Indore (Soy Ref oil)+VAT | 435      | 434      | +1     |
| Kota (Soy Ref. Oil)+VAT  | 440      | 442      | -2     |
| Hyderabad (Soy Ref)+VAT  | 460      | 460      | 0      |
| Rajkot (Soy Ref)+Tax     | 455      | 460      | -5     |

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Settle High

Despite consecutive weakness of crude oil prices, crude palm oil futures rebound from recent losses at Bursa Malaysian Derivatives on Thursday amidst lower production during December month in Malaysia, profit taking and marginally improved CBOT and most active March contract settled MYR19 up at MYR1,900/ton. Although, trade activities remains slow and market experienced psychological barrier of MYR1,900/ton during trade-session.

### Domestic Spot Market Highlights

Bullish BMD remained failed to support downfall of domestic demand of palm oil and witnessed weak spot prices. These days, cheap availability of others edible oil like cotton oil had some bearish impact on palm oil. Consecutive declined of crude palm oil CIF prices added bearish tone in the market and quoted at \$570/ton for February shipment on Thursday. Traders are expecting further fall of palm oil amidst underlying sluggish BMD ahead.

| BMD: CPO Futures (11.01.2007) |          |      |      |      |       | (Ringgit/ton) |        |
|-------------------------------|----------|------|------|------|-------|---------------|--------|
| Months                        | Previous | Open | High | Low  | Close | Change        | Volume |
| Jan.07                        | 1926     | 1931 | 1949 | 1931 | 1949  | +23           | 456    |
| Feb.07                        | 1895     | 1908 | 1923 | 1906 | 1920  | +25           | 1026   |
| Mar.07                        | 1881     | 1888 | 1907 | 1884 | 1900  | +19           | 6064   |
| Apr.07                        | 1861     | 1873 | 1893 | 1871 | 1891  | +30           | 2218   |
| May.07                        | 1860     | 1875 | 1883 | 1868 | 1880  | +20           | 565    |

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres                      | 11.01.07 | 10.01.07 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA)         | 412      | 415      | -3     |
| Kandla RBD Palmolein +VAT    | 432      | 435      | -3     |
| Mumbai RBD Palmolein +VAT    | 452      | 450      | +2     |
| Chennai RBD Palmolein +VAT   | 455      | 455      | 0      |
| Kakinada RBD Palmolein +VAT  | 440      | 445      | -5     |
| Hyderabad RBD Palmolein +VAT | 465      | 470      | -5     |
| Delhi RDB Palmolein          | 460      | 460      | 0      |

### Rape/Mustard oil

Spot prices of mustard oil experienced touched lower prices of December 20 last year. Poor physical demand pushed market further down. Nafed unchanged mustard seeds prices and quoted at Rs. 1690/1735 per 100kg for stock during 2005/06. Further fell of mustard oil prices could be noticed on Nafed aggressive mood in near-terms.

### Refined Groundnut Oil

There is no significant change of refined groundnut (gn) oil prices noticed in the spot market to yesterday and its prices remained range bound. In Rajkot market seeds prices revised and quoted at Rs. 432/20kg (bag) with increased arrivals to 60-70,000 limited the upsurge. Under steady crushing status, gn oil prices likely to remain range bound in coming days.

### Refined Sunflower Oil

Improved sunflower (snf) seeds arrivals and CIF prices coupled with steady demand confirmed refined sunflower oil prices at range bound while CIF prices quoted at \$690/ton for February shipment on Thursday. Snf oil price is much more depend upon seeds arrivals status in coming days.

### Refined Cotton Oil

Continuous weak demand of refined cotton oil, even prices are cheaper among other edible oil, witnessed downtrends in the spot market. Slight improvement of seeds arrivals had bearish impact in the market. Cotton oil prices likely to move accordingly to crushing status in near-terms.

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

| Centres                    | 11.01.07 | 10.01.07 | Change |
|----------------------------|----------|----------|--------|
| Mumbai (Exp. Oil) +VAT     | 450      | 452      | -2     |
| Kota (Expeller Oil)+VAT    | 418      | 418      | 0      |
| Jaipur (Expeller Oil)+VAT  | 428      | 424      | +4     |
| Delhi (Expeller Oil)       | 448      | 450      | -2     |
| Neewai (Expeller Oil) +VAT | 414      | 417      | -3     |

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

| Centres            | 11.01.07 | 10.01.07 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT        | 590      | 585      | +5     |
| Rajkot +VAT        | 575      | 573      | +2     |
| Andhra Region +VAT | 660      | 660      | 0      |
| Chennai +VAT       | 600      | 600      | 0      |
| Delhi              | 580      | 580      | 0      |

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

| Centres        | 11.01.07 | 10.01.07 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 545      | 545      | 0      |
| Chennai +VAT   | 570      | 570      | 0      |
| Hyderabad +VAT | 540      | 550      | -10    |

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

| Centres        | 11.01.07 | 10.01.07 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 448      | 448      | 0      |
| Hyderabad +VAT | 440      | 445      | -5     |
| Rajkot + VAT   | 430      | 438      | -8     |
| Delhi          | 428      | 430      | -2     |

### Forex Rates

(As on 11.01.2007)

| Country/ Continent | Currency       | Value in Rupees |
|--------------------|----------------|-----------------|
| USA                | Dollar         | 44.56           |
| European Union     | Euro           | 57.76           |
| Japan              | 100 Yen        | 37.17           |
| United Kingdom     | Pound Sterling | 86.16           |

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

| Ports   | Vessels          | Volume (Ton) | Carrying | Status                   |
|---------|------------------|--------------|----------|--------------------------|
| Mumbai  | ACE-7            | 4,720        | Palm oil | Expected<br>(11.01.2007) |
| Kandla  | Suzanne          | 10,000       | Palm oil | Expected<br>(13.01.2007) |
|         | Aries            | 8,970        | SBO      | Expected<br>(14.01.2007) |
| Mundra  | Champion Vincita | 13,000       | CDSBO    | Expected<br>(11.01.2007) |
| Kolkata | Siam Bhavas      | 4,400        | CPO      | Arrived<br>(10.01.2007)  |
| Chennai | Neptun           | 8,500        | SFO      | Arrived<br>(10.01.2007)  |

\*With CPS and PFAD

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