

VEGOIL DAILY

January 03rd, 2007

REFINED SOY OIL

FUNDAMENTALS

Refined soy oil stood range bound in the spot market on steady demand, poor trade activities and closure of CBOT and BMD despite reduction of refined edible oil import duty to 52.5% from previous 68.75% from SAFTA nations. Unchanged crude soy oil CIF prices and slight improved crude oil helped stabilizing soy oil prices. Delhi market witnessed fresh demand of soy oil amidst fall in day temperature. The crude soy oil CIF prices quoted at \$723 per ton for January shipment on Tuesday. Traders are anticipating bullish opening on fresh trading session in 2007 at CBOT and BMD likely to reflect similar impact at domestic market in coming days. The NCDEX soy oil witnessed choppy trading during most part of trade day on lack of guiding force likely BMD and ended with speculative buying during end of session.

PRICE DRIVERS:

1. Closure of domestic and International market.
2. Reduction of edible oil import duty from SAFTA nations
3. Unchanged Crude soy oil CIF prices
4. Steady arrivals and demand

Weather

Fall in day temperature in the central and western parts of countries would be supportive for trade activities.

TECHNICALS

The hollow candlesticks with upper and lower shadow indicated indecisiveness between buyers and sellers and ends with sellers' dominance. Stochastic remained falling towards oversold region. The prices stood below 9 days EMA and 18 days EMA indicated weakness. MACD is approaching to make bearish crossover on positive territory. Volume and open interest both declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	458	461	466.95	475	478

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy Above 466; T1 near 469, T2 470 and put stop loss at 464.

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

Centres	02.01.07	01.01.07	Change
Mumbai (Soy Ref oil)+VAT	460	MC	-
Indore (Soy Ref oil)+VAT	440	MC	-
Kota (Soy Ref. Oil)+VAT	452	MC	-
Hyderabad (Soy Ref)+VAT	470	MC	-
Rajkot (Soy Ref)+Tax	465	465	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Tuesday.

Domestic Spot Market Highlights

Palm oil prices improved in the physical market amidst emergence of fresh demand. Vanaspati makers had ample stocks of vanaspati likely to limit palm oil prices in domestic market. The crude palm oil CIF prices quoted at \$600 per ton for January shipment on Tuesday. Traders are expecting its prices to improved further on anticipation of firm opening at BMD on Wednesday.

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	02.01.07	01.01.07	Change
Kandla CPO (5 % FFA)	420	MC	-
Kandla RBD Palmolein +VAT	440	MC	-
Mumbai RBD Palmolein +VAT	460	MC	-
Chennai RBD Palmolein +VAT	470	MC	-
Kakinada RBD Palmolein +VAT	455	MC	-
Hyderabad RBD Palmolein +VAT	469	MC	-
Delhi RDB Palmolein	465	460	+5

Rape/Mustard oil

Mustard oil price declined in domestic market on poor demand and steadiness in other vegetable oils. Nafed again reduced its mustard seed prices and quoted at Rs. 1715/40 per 100 kg for stock during 2005/06 supported oil prices. On prevailing weak demand, mustard oil prices likely to remain range bound in coming days.

Refined Groundnut Oil

Poor exporter's meal demand with stable domestic demand confirmed refined groundnut oil prices unchanged in the spot market. Seeds arrivals also remain steady and quoted at Rs. 428 per 20kg on Tuesday in Rajkot market. Little price improvement could be noticed in coming days on low crushing.

Refined Sunflower Oil

Sunflower refined oil price remained unchanged to yesterday in the spot market on recent discharged vessel added oil stocks. The sunflower oil CIF prices quoted at \$700 per ton for January shipment on Tuesday. Seed arrivals status in coming days likely to influence its oil prices in near-terms.

Refined Cotton Oil

Steady cottonseeds arrivals and poor aggressive buying established oil prices range bound. Unchanged groundnut oil prices also supported steadiness as both share same market. Underlying bullish impact of overseas market mirrored same impact in coming days.

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

Centres	02.01.07	01.01.07	Change
Mumbai (Exp. Oil) +VAT	458	MC	-
Kota (Expeller Oil)+VAT	422	MC	-
Jaipur (Expeller Oil)+VAT	425	MC	-
Delhi (Expeller Oil)	468	462	+8
Neewai (Expeller Oil) +VAT	420	428	-8

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	02.01.07	01.01.07	Change
Mumbai +VAT	585	MC	-
Rajkot +VAT	565	565	0
Andhra Region +VAT	640	MC	-
Chennai +VAT	615	MC	-
Delhi	560	560	0

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

Centres	02.01.07	01.01.07	Change
Mumbai +VAT	555	MC	-
Chennai +VAT	587	MC	-
Hyderabad +VAT	585	MC	-

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

Centres	02.01.07	01.01.07	Change
Mumbai +VAT	455	MC	-
Hyderabad +VAT	455	MC	-
Rajkot + VAT	445	445	0
Delhi	440	440	0

Forex Rates

(As on 02.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.20
European Union	Euro	58.53
Japan	100 Yen	37.25
United Kingdom	Pound Sterling	86.88

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	Arrived (30.12.2006)
Chennai	Spring Wind	3,800	CPO	Arrived (02.01.2007)
Kandla	Gemini	10,500	CPO*	Arrived (31.12.2006)
	Shintuku	15,000	Palm oil	Expected (03.01.2007)
Kolkata	Shima Kaze	6,500	CPO	Arrived (29.12.2006)
Manglore	Nogoginy	5,000	CPO	Expected (04.01.2007)
Mundra	Theresa Jupiter	15,500	CPO	Arrived (02.01.2007)
Tuticorin	Sichem Padua	5,600	Palm oil	Expected (02.01.2007)
	Spring Glory	7,300	Palm oil	Expected (04.01.2007)

*With CPS and PFAD

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