

VEGOIL DAILY

January 13th, 2007

REFINED SOY OIL

SPOT MARKET:

Slow trades activities in Hyderabad on celebration mood of Makar Sankranti ahead and continuous sluggish demand in other centres combined with weakness in other vegetable oil had bearish impact on refined soy oil prices in the spot market despite firmness at CBOT, bullish weekly exports sales by USDA and increased CIF prices, which quoted at \$686/ton for February shipment on Friday. Traders are expecting further drop on amplification of festival mood in coming days.

FUTURES MARKET:

NCDEX soy oil futures opened firmed Rs.1.45 at Rs. 469/10kg to previous closing at Rs. 467.55/10kg. Soy oil futures witnessed speculative selling during trade-day amidst devoid of rallies and tracking BMD. Market finished Rs 3.6 down up at Rs. 463.95/10kg to yesterday closing at Rs. 467.55/10kg.

PRICE DRIVERS:

1. Bearish BMD
2. Bullish CBOT and USDA exports sales estimations
3. Increased crude soy oil CIF prices
4. Sluggish domestic demand
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 long dark candlestick with short lower and upper shadow indicated sellers remain dominated during trade day. Stochastic made bullish crossover and running smoothly in the oversold region showed bearish sentiments. Prices stood below 9 days and 18 days EMA export shallowness in the market. MACD further progressed down in the negative territory. Volume declined and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	457	460	463.95	471	475

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:
SELL Near 466, T1 463 and put stop loss at 468.

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

Centres	12.01.07	11.01.07	Change
Mumbai (Soy Ref oil)+VAT	452	452	0
Indore (Soy Ref oil)+VAT	434	435	-1
Kota (Soy Ref. Oil)+VAT	438	440	-2
Hyderabad (Soy Ref)+VAT	460	460	0
Rajkot (Soy Ref)+Tax	455	455	0

PALM OIL

International Highlights

Crude Palm oil Futures Finish Weak at BMD

The most active March contract of crude palm oil ended MYR11 down at MYT1,889 per ton at Bursa Malaysian Derivatives on Friday amidst short-covering, reports of recur of flood condition in Johor (second major palm oil producing state in Malaysia) and declined crude oil price made biodiesel less competitive ignored bullish sentiments of overnight CBOT. However, market gains some momentum in earlier session then die soon on lack of strong fundament news.

Domestic Spot Market Highlights

Palm oil spot prices remained range bound on lack of new development of demand and supply and slight declined domestic demand, however looses are limited by gains in CIF prices, which quoted at \$575 per ton for February shipment on Fridays. Further fall of palm oil prices could be experience in coming days on underlying bearish impact in the overseas market.

BMD: CPO Futures (12.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1945	1955	1960	1930	1929	-16	349
Feb.07	1914	1928	1934	1892	1894	-20	1383
Mar.07	1900	1920	1922	1880	1889	-11	6640
Apr.07	1888	1907	1914	1870	1872	-16	3475
May.07	1880	1890	1898	1862	1860	-20	537

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.01.07	11.01.07	Change
Kandla CPO (5 % FFA)	412	412	0
Kandla RBD Palmolein +VAT	432	432	0
Mumbai RBD Palmolein +VAT	452	452	0
Chennai RBD Palmolein +VAT	455	455	0
Kakinada RBD Palmolein +VAT	440	440	0
Hyderabad RBD Palmolein +VAT	465	465	0
Delhi RDB Palmolein	465	460	0

Rape/Mustard oil

Nafed aggressive mood and actively liquidation of mustard seeds had spill over impact on mustard oil in the physical market. Nafed revised mustard seeds prices and quoted at 1680/1725 per quintal for stock during 2005/06 aided bearish tone. On prevailing aggressive mood of Nafed further prices fall could be witnessed in coming days.

Refined Groundnut Oil

Equal aggressive buying against supply with devoid of fresh development kept groundnut refined oil prices range bound in the spot market. Low crushing margin of groundnut oil had underlying bearish impact. In Rajkot market, shelled groundnut quoted at Rs. 434 per 20kg (bag) on Friday with declined arrivals at 50-60,000 bags. Weak meals demand from exporters likely to have bearish impact on oil market in coming days.

Refined Sunflower Oil

Unchanged seeds arrivals with steady sunflower oil CIF prices held its price range bound in the physical market. Lower trade activities reported on Makar Sankranti festival ahead had bearish impact. The CIF prices quoted at \$690/ton for February shipment on Friday. Traders are expecting its prices likely to move according to other vegetable oils.

Refined Cotton Oil

Spot prices of refined cotton oil prices remained on bullish mood amidst steady demand, slightly shortage and bearish trends of other vegetable oils. Cottonseed arrivals remain steady sealed bullishness in the market. Traders are expecting its prices likely to move in tandem with other vegetable oil.

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

Centres	12.01.07	11.01.07	Change
Mumbai (Exp. Oil) +VAT	450	450	0
Kota (Expeller Oil)+VAT	416	418	-2
Jaipur (Expeller Oil)+VAT	424	422	+2
Delhi (Expeller Oil)	448	448	0
Neewai (Expeller Oil) +VAT	413	414	-1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.01.07	11.01.07	Change
Mumbai +VAT	590	590	0
Rajkot +VAT	575	575	0
Andhra Region +VAT	650	660	-10
Chennai +VAT	600	600	0
Delhi	580	580	0

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

Centres	12.01.07	11.01.07	Change
Mumbai +VAT	545	545	0
Chennai +VAT	570	570	0
Hyderabad +VAT	540	540	0

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

Centres	12.01.07	11.01.07	Change
Mumbai +VAT	450	448	+2
Hyderabad +VAT	440	440	0
Rajkot + VAT	434	430	+4
Delhi	428	428	0

Forex Rates

(As on 12.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.61
European Union	Euro	57.54
Japan	100 Yen	36.97
United Kingdom	Pound Sterling	86.80

PORT-WATCH (Latest):
Current Vessels Positions

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

*With CPS and PFAD

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