

VEGOIL DAILY

January 22th, 2007

REFINED SOY OIL

SPOT MARKET:

Due to weekend some acceleration witnessed in trades activities had bullish impact on refined soy oil across domestic market. Overnight firm CBOT on strong USDA exports data and abruptly increased CIF prices had bullish reflection. Few markets witnessed slight improved demand for up coming marriage season while Delhi market remained range bound on steady supply/demand. CIF prices quoted at \$ 694/tonne for February shipment on Saturday. Traders are in wait and watch situations and looking closely over developments in overseas and domestic market.

FUTURES MARKET:

NCDEX Soy oil futures gained and benchmark of February contract opened Rs. 1.85 high at Rs. 465.35/10kg to yesterday closing at Rs. 463.5/10kg. Soy oil futures witnessed speculative buying on firmed overnight CBOT technical correction and shot covering. Market finished at Rs 3 high at Rs. 467/10kg to yesterday closing.

PRICE DRIVERS:

1. Bullish USDA exports sales data
2. Abrupt increased CIF prices
3. Increased demand
4. Steady arrivals
5. Bullish overnight CBOT

Weather

Mainly dry weather in major growing areas would facilitate beans arrivals in coming days.

TECHNICALS

Short hollow candlestick with upper shadow indicating bullish sentiments. Buyer's dominated on firm CBOT sentiments. Prices on verse to touch 9 days EMA but remained below 18 days EMA indicated underlying bullish sentiments. Stochastic made bearish crossover and move forwards into neutral region. MACD is moving smoothly into negative territory. Volume increased and open interest declined.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|-----|-----|-----|-----|-----|
| NCDEX-Feb. | 460 | 463 | 467 | 473 | 476 |

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:
BUY above 467; T1 469, T2 470 and put stop loss at 465.

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

| Centres | 20.01.07 | 19.01.07 | Change |
|--------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 453 | 458 | -5 |
| Indore (Soy Ref oil)+VAT | 437 | 435 | +2 |
| Kota (Soy Ref. Oil)+VAT | 441 | 443 | -2 |
| Hyderabad (Soy Ref)+VAT | 465 | 460 | +5 |
| Rajkot (Soy Ref)+Tax | 461 | 455 | +6 |

PALM OIL

International Highlights

Crude Palm oil Futures at BMD remain Closed on Saturday.

Domestic Spot Market Highlights

Spot prices of palm oil remained mixed in the domestic market on lack of new fundement news and sluggish demand. In few markets, palm prices increased on firm soy oil futures at CBOT. Sluggish demand across domestic market expected to extend on forecast of decline day and night temperature in ahead.

| BMD: CPO Futures (19.01.2007) | | | | | | | (Ringgit/ton) |
|-------------------------------|----------|------|------|------|-------|--------|---------------|
| Months | Previous | Open | High | Low | Close | Change | Volume |
| Feb.07 | 1930 | 1914 | 1923 | 1913 | 1919 | -11 | 182 |
| Mar.07 | 1920 | 1900 | 1905 | 1887 | 1893 | -27 | 2834 |
| Apr.07 | 1905 | 1884 | 1890 | 1873 | 1875 | -30 | 9067 |
| May.07 | 1895 | 1870 | 1876 | 1861 | 1865 | -30 | 1568 |
| Jun.07 | 1885 | 1860 | 1868 | 1855 | 1864 | -21 | 96 |

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres | 20.01.07 | 19.01.07 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA) | 416 | 413 | +3 |
| Kandla RBD Palmolein +VAT | 434 | 434 | 0 |
| Mumbai RBD Palmolein +VAT | 458 | 458 | 0 |
| Chennai RBD Palmolein +VAT | 455 | 458 | -3 |
| Kakinada RBD Palmolein +VAT | 445 | 443 | +2 |
| Hyderabad RBD Palmolein +VAT | 468 | 468 | 0 |
| Delhi RDB Palmolein | 465 | 465 | 0 |

CIF Price Basis Kandla Port (\$/ MT)

| Edible Oil | 20.01.07 | 19.01.07 | Change |
|----------------|----------|----------|--------|
| Crude Soy Oil | 694 | 678 | +16 |
| Crude Palm Oil | NA | 580 | - |
| Sunflower Oil | 688 | 682 | +6 |

Rape/Mustard oil

Weak demand and actively released from stockists on extending bearish sentiments in days to follow results in weak mustard oil prices in physical market. Nafed kept unchanged mustard seeds prices at Rs. 1690/1735 per qtl [seeds stock during 2005/06]. On prevailing active mood of stockist, its prices like to remains steady in coming days.

Refined Groundnut Oil

Stockists remain active to procure groundnut (gn) seeds anticipating this year below production of seeds to last year had bullish impact. In Rajkot, shelled gn remained unchanged and quoted at yesterday prices of Rs. 440/20kg (bag) with arrivals of 40,000-50,000 bags. Improving meals demand from exporters likely to have bullish impact on oil prices in coming days.

Refined Sunflower Oil

Sunflower seeds arrivals stood steady to yesterday with slight improved demand supported gains in the domestic market. Also sunflower oil CIF prices increased significantly at \$ 688/tonne for February shipment on Saturday. Traders are expecting its prices likely to decline in coming days amidst weakness in other vegetable oils.

Refined Cotton Oil

Following groundnut oil, refined cotton oil prices improved in the spot market as both are arrivals crop and share same markets but weak demand limited the gains. Seed arrivals declined slightly had mixed reaction. Due to bumper crop and steady releases for solvent exporters, cotton oil prices likely to decline in near-terms.

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

| Centres | 20.01.07 | 19.01.07 | Change |
|----------------------------|----------|----------|--------|
| Mumbai (Exp. Oil) +VAT | 453 | 455 | -2 |
| Kota (Expeller Oil)+VAT | 414 | 415 | -1 |
| Jaipur (Expeller Oil)+VAT | 422 | 420 | +2 |
| Delhi (Expeller Oil) | 448 | 448 | 0 |
| Neewai (Expeller Oil) +VAT | 414 | 415 | -1 |

Groundnut Oil Spot Market Price (Rs/10 kg)

| Centres | 20.01.07 | 19.01.07 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT | 608 | 610 | -2 |
| Rajkot +VAT | 590 | 590 | 0 |
| Andhra Region +VAT | 670 | 670 | 0 |
| Chennai +VAT | 630 | 620 | +10 |
| Delhi | 610 | 610 | 0 |

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

| Centres | 20.01.07 | 19.01.07 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 570 | 575 | -5 |
| Chennai +VAT | 575 | 572 | +3 |
| Hyderabad +VAT | 575 | 570 | +5 |

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

| Centres | 20.01.07 | 19.01.07 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 455 | 458 | -3 |
| Hyderabad +VAT | 453 | 450 | +3 |
| Rajkot + VAT | 438 | 435 | +3 |
| Delhi | 435 | 435 | 0 |

Forex Rates

(As on 20.01.2007)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------------|-----------------|
| USA | Dollar | 44.14 |
| European Union | Euro | 57.19 |
| Japan | 100 Yen | 36.41 |
| United Kingdom | Pound Sterling | 87.09 |

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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