

VEGOIL DAILY

January 24th, 2007

REFINED SOY OIL

SPOT MARKET:

Today, there is no significant change for refined soy oil has been noticed to yesterday and prices for refined soy oil remains mixed. BMD and overnight CBOT also traded on weaker side had some bearish impact. Crushing for soy oil remained low amidst poor crushing margin had bearish impact while Government is in favour of reduction in custom duty on Vegetable oil imports to curb rise in prices, trade and Industry is believed to be no in favour of same had underlying bullish impact. CIF crude soy oil prices improved marginally and remained at \$695/tonne against previous \$694/tonne for February shipment on Tuesday. Refined soy oil prices likely to remain bearish in coming days on firm underlying sentiments for change in import duty for edible oil.

FUTURES MARKET:

Soy oil futures at NCDEX settled up. The benchmark of February contract open unchanged at Rs. 463.45/10kg to previous closing. The soy oil February contract witnessed speculative buying on aforesaid factors despite weakness at CBOT and BMD and market finished at Rs 0.8 up at Rs. 464.25/10kg to previous closing.

PRICE DRIVERS:

1. Bearish CBOT and BMD
2. Declined beans arrivals
3. Sluggish demand
4. Government favour to revise edible oil import duty

Weather

Mainly dry weather in major growing areas would facilitate beans arrivals in near-term.

TECHNICALS

Hollow candlestick with both lower and upper shadow indicated bullish sentiments. Buyers dominated during the trade-session. Prices kept below 9 days EMA and 18 days EMA indicated sluggishness in the market. Stochastic moved smoothly into oversold region. MACD is moving smoothly and penetrated into negative territory. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	456	459	464.25	471	474

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:
Sell Below 465; T1 463 and put stop loss at 467.

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

Centres	23.01.07	22.01.07	Change
Mumbai (Soy Ref oil)+VAT	453	453	0
Indore (Soy Ref oil)+VAT	435	434	+1
Kota (Soy Ref. Oil)+VAT	441	441	0
Hyderabad (Soy Ref)+VAT	463	465	-2
Rajkot (Soy Ref)+Tax	455	455	0

PALM OIL

International Highlights

Crude Palm oil Futures Remains Sluggish at BMD

On Tuesday, crude palm oil futures oscillated between bearish and bullish sentiments on lack of fresh fundamental development coupled with sluggish CBOT soy futures results in most active April contract finished MYR 4 down at MYR 1,891/tonne. Declined crude oil price pushed market down but kept doubt high for biodiesel futures supported bearish sentiments but losses are limited by likely declined palm oil production from one of major producing state (Johor) in Malaysia.

Domestic Spot Market Highlights

Unchanged demand domestically supported range bound prices of palm oil. Crude palm oil prices remained unchanged and quoted at \$ 585/tonne for February shipment on Tuesday. Vanaspati markers remain less active supported steady sentiments. In lack of fresh fundamental news, palm oil prices likely to trade on range bound.

BMD: CPO Futures (23.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1928	1933	1933	1918	1929	+1	240
Mar.07	1914	1915	1926	1901	1908	-6	1504
Apr.07	1895	1902	1906	1876	1891	-4	9580
May.07	1879	1887	1894	1867	1878	-1	1339
Jun.07	1874	1880	1880	1866	1866	-8	16

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	23.01.07	22.01.07	Change
Kandla CPO (5 % FFA)	416	416	0
Kandla RBD Palmolein +VAT	434	435	-1
Mumbai RBD Palmolein +VAT	455	456	-1
Chennai RBD Palmolein +VAT	455	455	0
Kakinada RBD Palmolein +VAT	445	445	0
Hyderabad RBD Palmolein +VAT	468	468	0
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/ MT)

Edible Oil	23.01.07	22.01.07	Change
Crude Soy Oil	695	694	+1
Crude Palm Oil	585	585	0
Sunflower Oil	NA	688	-

Rape/Mustard oil

Mustard oil prices traded range bound across domestic market on steady supply/demand. Regular demand for mustard oil from Eastern and Northern part of India supported the steady sentiment. Nafed revised mustard seeds prices and new prices stood at Rs. 1700-1745/qrtl against yesterday 1690-1735/qrtl [seeds stocked during 2005/06]. In prevailing steady crushing, mustard oil prices likely to remain range bound in coming days.

Refined Groundnut Oil

Unchanged sentiments for demand and supply kept refined groundnut oil prices range bound in most of the market. Seeds arrivals declined in Rajkot market to 25,000-30,000 bags against yesterday's 35,000-40,000 bags had bullish impact in Rajkot while in Mumbai its prices improved on slightly shortage. Traders are expecting its prices to trade on higher side on bullish sentiments for supply.

Refined Sunflower Oil

Improved demand supported refined sunflower oil prices in the physical market. Sunflower production is expected to below in 2006/07 supported bullish sentiments for off-season. Seeds arrivals declined marginally added bullishness. The underlying bullish impact for good premium in off-season likely to support its price in coming days.

Refined Cotton Oil

Continuous good demand for refined cotton oil had bullish reflection across domestic market. Improved groundnut oil had spill over impact. Traders are expecting, its prices likely to move with other edible oil in coming days.

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

Centres	23.01.07	22.01.07	Change
Mumbai (Exp. Oil) +VAT	455	455	0
Kota (Expeller Oil)+VAT	413	413	0
Jaipur (Expeller Oil)+VAT	418	418	0
Delhi (Expeller Oil)	447	448	-1
Neewai (Expeller Oil) +VAT	NA	413	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	23.01.07	22.01.07	Change
Mumbai +VAT	620	608	+12
Rajkot +VAT	595	590	+5
Andhra Region +VAT	675	675	0
Chennai +VAT	630	630	0
Delhi	610	610	0

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

Centres	23.01.07	22.01.07	Change
Mumbai +VAT	575	570	+5
Chennai +VAT	575	575	0
Hyderabad +VAT	590	580	+10

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

Centres	23.01.07	22.01.07	Change
Mumbai +VAT	460	455	+5
Hyderabad +VAT	465	465	0
Rajkot + VAT	437	436	+1
Delhi	435	435	0

Forex Rates

(As on 23.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.21
European Union	Euro	57.23
Japan	100 Yen	36.33
United Kingdom	Pound Sterling	87.48

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
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 (30.01.2007)
	Ew Henfield	7,000	CDSBO	Expected (27.01.2007)
	Harsanadi	10,000	Palm oil	Expected (24.01.2007)
	Hari Kripa	2,000	CFA	Expected (22.01.2007)

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