

VEGOIL DAILY

January 10th, 2007

REFINED SOY OIL

SPOT MARKET:

Steady crushing of soybeans, weak meals demand from exporters depressed refined soy oil prices in the spot market. Although, soybeans crushing had been increased in December month to meet meal demand results in heavy stocks of soy oil in the market had some bearish impact but Makar Sankranti demand limited fall in the market. However, crude soy oil CIF prices declined significantly coupled with sluggish CBOT and BMD pushed market down. The CIF price of crude soy oil quoted at \$696/tonne for February shipment on Tuesday. Underlying weakness in BMD and some improvement in festival demand likely to have mixed reaction on soy oil in coming days.

FUTURES MARKET:

Soy oil futures at NCDEX opened firm Rs. 0.70 at Rs. 470.8 per 10 kg to last closing at Rs. 470.1 per 10 kg. Soy oil futures witnessed choppy trading coupled with lack of rallies and profit taking pushed market down during most part of trade-session. Market finished Rs. 1.05 down at Rs. 469.05/10kg to yesterday closing at Rs. 470.1/10kg.

PRICE DRIVERS:

1. Sluggish BMD and CBOT
2. Soybeans arrivals has improved
3. Steep declined crude soy oil CIF prices
4. Makar Sankranti demand

Weather

Mainly dry weather likes over central and western regions would remain supportive for trade activities.

TECHNICALS

The short candlestick with longer upper shadow indicated sellers' dominance during trade day. Stochastic came close and drifted away to bearish crossover closed to oversold region. Prices stood below 9 days and 18 days EMA pointed bearish sentiments. MACD is moved further to negative territory after bearish crossover. Volume declined but open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	461	464	469.05	478	481

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:

BUY Above 468; T1 near 470, T2 471 and put stop loss at 466.

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

Centres	09.01.07	08.01.07	Change
Mumbai (Soy Ref oil)+VAT	452	457	-5
Indore (Soy Ref oil)+VAT	436	435	+1
Kota (Soy Ref. Oil)+VAT	442	444	-2
Hyderabad (Soy Ref)+VAT	460	460	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Settle Up

Crude palm oil futures finished weak at Bursa Malaysia Derivatives on Tuesday and most active March contract settled MYR4 up at MYR1,890 per tonne on follow-through sentiments, sluggish overseas commodities and weak technicals. SGS cargo surveyor to be release palm oil exports estimations for the period of January 1-10 on Wednesday failed to support palm oil market.

Domestic Spot Market Highlights

Palm oil prices remained weak in the spot market on significant drop of crude palm oil CIF prices, bearish BMD palm oil futures and poor domestic demand. At ports few new vessels are exported to fuel more palm oil in the domestic market had bearish impact. The crude palm oil CIF prices ended weak and quoted at \$580 per tonne for February shipment on Tuesday. Further weakness of palm oil could be noticed in the near-terms as winter progress in near-terms.

BMD: CPO Futures (09.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1928	1925	1942	1915	1919	-9	258
Feb.07	1900	1890	1897	1885	1897	-3	600
Mar.07	1884	1878	1927	1871	1890	+6	12200
Apr.07	1875	1871	1914	1865	1865	-10	2917
May.07	1869	1863	1895	1860	1860	-9	726

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	09.01.07	08.01.07	Change
Kandla CPO (5 % FFA)	415	416	-1
Kandla RBD Palmolein +VAT	436	438	-2
Mumbai RBD Palmolein +VAT	455	457	-2
Chennai RBD Palmolein +VAT	460	462	-2
Kakinada RBD Palmolein +VAT	445	450	-5
Hyderabad RBD Palmolein +VAT	470	472	-2
Delhi RDB Palmolein	465	465	0

Rape/Mustard oil

Emergence of fresh demand and Nafed revision over mustard seeds prices had underlying bullish impact on mustard oil the spot market. Nafed mustard seeds prices quoted at 1710/1745 per 100 kg for stock during 2005/06. Per hectare production of mustards seeds is likely to remains below to normal strengths market and would mirror same sentiments in coming days.

Refined Groundnut Oil

Refined groundnut oil prices remains range bound in the spot market on steady demand/supply. In Rajkot market, shelled groundnut quoted at Rs. 432 per bag (20 kg) with arrivals around 50-60,000 bags on Tuesday. Under steady crushing, groundnut oil prices likely to remains range bound in coming days.

Refined Sunflower Oil

Sunflower crop is reported to be low this year had some bullish impact but steady trends in other vegetable oils curbed upwardly trends of sunflower oil and kept it range bound in the spot market. The CIF prices of sunflower oil improved marginally and quoted at \$697 per tonne for February shipment on Tuesday. In prevailing arrivals conditions likely to put market steady in near-terms.

Refined Cotton Oil

Improved cotton seeds arrivals and low meals demand depressed refined cotton oil prices in the domestic market. Low demand of cotton oil likely to keeps bears up in coming days.

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

Centres	09.01.07	08.01.07	Change
Mumbai (Exp. Oil) +VAT	450	454	-4
Kota (Expeller Oil)+VAT	419	420	-1
Jaipur (Expeller Oil)+VAT	425	422	+3
Delhi (Expeller Oil)	450	445	+5
Neewai (Expeller Oil) +VAT	420	418	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	09.01.07	08.01.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	576	575	+1
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	09.01.07	08.01.07	Change
Mumbai +VAT	542	540	+2
Chennai +VAT	575	575	0
Hyderabad +VAT	550	550	0

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

Centres	09.01.07	08.01.07	Change
Mumbai +VAT	446	450	-4
Hyderabad +VAT	445	450	-5
Rajkot + VAT	438	438	0
Delhi	435	430	+5

Forex Rates

(As on 09.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.47
European Union	Euro	57.99
Japan	100 Yen	37.39
United Kingdom	Pound Sterling	86.40

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	11,000	Palm oil	Arrived (06.01.2007)
	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 (13.01.2007)
Mundra	Champion Vincita	13,000	CDSBO	Expected (09.01.2007)
Kolkata	Siam Bhavas	4,400	CPO	Arrived (10.01.2007)

*With CPS and PFAD

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