

VEGOIL DAILY

January 17th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil declined in the domestic market amidst Government decision to kept unchanged base prices of imported oil and sluggish domestic demand. Reports of bird flu in Asian countries added the bearish tone in the market. On extended festival moods of Makar Sankranti strengthens bearish impact coupled with steady meal demand and unchanged crude palm oil CIF prices remained at \$ 695/tonne for February shipment on Tuesday. Prevailing flood conditions in Malaysia likely to had reflect some bullish impact in near-term.

FUTURES MARKET:

NCDEX soy oil February contract opened weak Rs1.1 down at Rs. 470/10kg to previous closing at Rs 471.1/10kg. Market recovered in the later half on despite sluggishness first half on tracking BMD, and Government decision to unchanged base prices of imported oil. Market finished Rs 2.6 up at Rs. 473.7/10kg to yesterday closing.

PRICE DRIVERS:

1. Government did not revised Base prices of Imported oil
2. Bullish BMD crude palm oil futures
3. Unchanged crude soy oil CIF prices
4. Sluggish domestic demand
5. Increased beans arrivals

Weather

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

TECHNICALS

The hollow candlestick with marginally longer lower shadow indicated bullish sentiments. Stochastic had faced up into neutral region indicating bullishness. Prices remained between 9 days and 18 days EMA indicated firm sentiments. MACD moved forward into negative territory. Volume increased but open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	463	466	473.7	481	484

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:
SELL Below 472, T1 475 and put stop loss at 470.

; (Rs/10Kg excluding VAT)

Centres	16.01.07	15.01.07	Change
Mumbai (Soy Ref oil)+VAT	460	462	-2
Indore (Soy Ref oil)+VAT	438	442	-4
Kota (Soy Ref. Oil)+VAT	445	445	0
Hyderabad (Soy Ref)+VAT	NA	NA	-
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Ends Up

Crude palm oil futures gained on choppy trading day and most active April contract settled MYR 23 up at MYR 1,947/tonne but remained below psychological barrier of MYR 1,950/tonne at Bursa Malaysian Derivatives on Tuesday. Rallies at corn futures and profit taking also added the bullish tone and market ignore the bearish exports data released by SGS for January 1-15, 2007.

Domestic Spot Market Highlights

Unchanged crude palm oil CIF prices and base price of imported oil with continuous slow trade activities in few markets had bearishness in the physical market. Crude palm oil CIF prices quoted at \$590/tonne for February shipment on Tuesday. The disruption of palm oil supply from Malaysia on continuous bad conditions would have underlying bullish impact in the domestic market.

BMD: CPO Futures (16.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1946	1930	1966	1927	1966	+20	905
Mar.07	1935	1920	1954	1902	1954	+19	2999
Apr.07	1924	1910	1947	1893	1947	+23	7507
May.07	1912	1890	1937	1884	1936	+24	1401
Jun.07	1905	1905	1927	1900	1927	+22	157

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	16.01.07	15.01.07	Change
Kandla CPO (5 % FFA)	417	418	-1
Kandla RBD Palmolein +VAT	436	438	-2
Mumbai RBD Palmolein +VAT	460	462	-2
Chennai RBD Palmolein +VAT	NA	NA	-
Kakinada RBD Palmolein +VAT	NA	NA	-
Hyderabad RBD Palmolein +VAT	NA	NA	-
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/ MT)

Edible Oil	16.01.07	15.01.07	Change
Crude Soy Oil	695	695	0
Crude Palm Oil	590	590	0
Sunflower Oil	691	685	+6

Rape/Mustard oil

Improved demand and Nafed revision of mustard seeds prices by Rs.5 had bullish impact the physical market. Nafed sold mustard seeds at Rs. 1700/1745 per qtl for [seeds stocked during 2005/06]. Aggressive mood of Nafed would determine its prices in near-terms.

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

Centres	16.01.07	15.01.07	Change
Mumbai (Exp. Oil) +VAT	455	454	+1
Kota (Expeller Oil)+VAT	415	420	-5
Jaipur (Expeller Oil)+VAT	427	422	+5
Delhi (Expeller Oil)	452	450	+2
Neewai (Expeller Oil) +VAT	418	418	0

Refined Groundnut Oil

Despite slightly improved Rabi sowing of groundnut [gn] in Andhra Pradesh, Karnataka; refined gn oil prices remained unchanged to yesterday on steady demand/supply. In Rajkot, shelled gn seeds prices remained unchanged and quoted at Rs. 442/20kg [bag] with arrival of 50,000 bags. Its prices likely to remained range bound on assembly polls ahead.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	16.01.07	15.01.07	Change
Mumbai +VAT	600	600	0
Rajkot +VAT	590	590	0
Andhra Region +VAT	NA	NA	-
Chennai +VAT	NA	NA	-
Delhi	585	585	0

Refined Sunflower Oil

Declined sunflower (snf) seeds arrivals with lacklustre trade activities on festive mood ignored increased snf oil CIF prices and refined snf oil remained steady across domestic market. CIF prices of snf oil quoted at \$691/tonne for February shipment on Tuesday. Snf Oil prices likely to remains steady on extend festive moods in coming days.

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

Centres	16.01.07	15.01.07	Change
Mumbai +VAT	560	560	0
Chennai +VAT	NA	NA	-
Hyderabad +VAT	NA	NA	-

Refined Cotton Oil

Declined cotton (cn) seeds arrivals with good demand from vanaspati makers had bullish impact in the domestic market and supported prices gains of refined cn oil. Being the cheapest among edible oil, its prices likely to remain bullish in near-terms.

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

Centres	16.01.07	15.01.07	Change
Mumbai +VAT	458	457	+1
Hyderabad +VAT	NA	NA	-
Rajkot + VAT	440	438	+2
Delhi	433	432	+1

Forex Rates

(As on 16.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.32
European Union	Euro	57.38
Japan	100 Yen	36.83
United Kingdom	Pound Sterling	86.11

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	ACE-7	4,720	Palm oil	Arrived (11.01.2007)
	Pertiwi	7,700	Palm oil	Expected (18.01.2007)
Kandla	Suzanne	10,000	Palm oil	Arrived (13.01.2007)
	Hari Kripa	2,000	CFA	Arrived (14.01.2007)
	Harsanadi	10,000	Palm oil	Expected (25.01.2007)
	Aries	8,970	SBO	Arrived (14.01.2007)
Chennai	Neptun	8,500	SFO	Arrived (10.01.2007)
Tuticorin	Spring wind	4,100	Palm oil	Expected (16.01.2007)

*With CPS and PFAD

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