

VEGOIL DAILY

January 05th, 2007

REFINED SOY OIL

FUNDAMENTALS

Domestic spot prices of refined soy oil declined amidst weak BMD and overnight CBOT and declined soy oil CIF prices. Sluggish domestic demand and weakness in crude oil prices pushed soy oil further down. In persistently falling soy oil prices stockists are less interested to pile their inventories in hope for further fall in prices. Beans arrivals remain weak from producers, as its prices are not dearer these days aids bearish impact in the market. Crude soy oil prices quoted at \$713 per ton for January shipment on Thursday. Traders are expecting its prices to rebound on Sankranti festival ahead. Despite choppy trading and weakness at BMD NCDEX soy oil futures recovered on short covering during trade-session.

PRICE DRIVERS:

1. Weakness at BMD
2. Declined crude soy oil CIF prices
3. Low arrivals with weak demand
4. Fall crude oil prices

Weather

Mainly dry weather likes in central and western parts (except north Rajasthan may witness lightly showers in days ahead) would remain supportive for trade activities.

TECHNICALS

The short green candlestick indicating bullish reversal after a declined. Stochastic continue to remain to oversold region. Prices closed below 9 days and 18 days EMA indicating weak sentiments. MACD made bearish crossover and moving forward. Volume increased and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	453	456	462.95	472	476

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:
Sell Below 464; T1 near 461 and put stop loss at 466.

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

Centres	04.01.07	03.01.07	Change
Mumbai (Soy Ref oil)+VAT	457	460	-3
Indore (Soy Ref oil)+VAT	434	437	-3
Kota (Soy Ref. Oil)+VAT	450	450	0
Hyderabad (Soy Ref)+VAT	460	465	-5
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures End Down

Crude palm oil futures fell second consecutive day amidst declined crude oil made palm oil less competitive and weak overnight CBOT at Bursa Malaysian Derivatives on Thursday. Weak technical indicators and improving weather conditions in Johor (one of major producing state in Malaysia) depressed palm oil market resulting most active March contract of crude palm oil fell MYR43 at MYR 1,919 per tonne.

Domestic Spot Market Highlights

Spot prices of palm oil remained weak followed BMD and declined CIF prices. The retailers demand reported low depressed physical market. The crude palm oil prices quoted at \$595 per ton for January shipment on Thursday. Traders are expecting its prices to fall further on improving weather conditions in major producing countries.

BMD: CPO Futures (04.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1962	1930	1940	1924	1924	-38	487
Feb.07	1960	1938	1943	1916	1916	-44	1287
Mar.07	1962	1935	1944	1919	1919	-43	8997
Apr.07	1962	1942	1942	1915	1918	-44	2830
May.07	1968	1930	1935	1922	1922	-46	182

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	04.01.07	03.01.07	Change
Kandla CPO (5 % FFA)	415	420	-5
Kandla RBD Palmolein +VAT	435	440	-5
Mumbai RBD Palmolein +VAT	456	460	-4
Chennai RBD Palmolein +VAT	465	470	-5
Kakinada RBD Palmolein +VAT	452	450	+2
Hyderabad RBD Palmolein +VAT	457	457	0
Delhi RDB Palmolein	465	460	+5

Rape/Mustard oil

Spot prices of mustard oil remained steady on balance in demand and supply. Nafed unchanged mustard seed prices to yesterday at Rs. 1695/1730 per quintal for stock during 2005/06. Traders are expecting its prices to down further on aggressive mood of Nafed.

Refined Groundnut Oil

Spot prices of refined groundnut oil remained range bound on steady demand as yesterday on lack of fresh fundamental news and low meal demand. In Rajkot market, shelled groundnut prices increased and available at Rs. 430 per 20kg on Thursday. Weak meals demand from exporters, likely to strengthen bearish impact in coming days.

Refined Sunflower Oil

Slight improved demand with equal aggressive buying confirmed range bound prices despite fell sunflower oil CIF prices quoted at \$698 per tonne for January shipment on Thursday. Traders are expecting its prices likely to move accordingly to other vegetable oils in near-terms.

Refined Cotton Oil

Refined cotton oil price fell in the domestic market on continuous sluggish demand. Seeds arrivals improved slightly sealed bearishness in the market. Movement in global markets and soy oil likely to guides cotton oil prices in coming days.

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

Centres	04.01.07	03.01.07	Change
Mumbai (Exp. Oil) +VAT	450	454	-4
Kota (Expeller Oil)+VAT	418	418	0
Jaipur (Expeller Oil)+VAT	422	422	0
Delhi (Expeller Oil)	445	445	0
Neewai (Expeller Oil) +VAT	420	417	+3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	04.01.07	03.01.07	Change
Mumbai +VAT	580	585	-5
Rajkot +VAT	560	565	-5
Andhra Region +VAT	650	650	0
Chennai +VAT	610	610	0
Delhi	565	565	0

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

Centres	04.01.07	03.01.07	Change
Mumbai +VAT	545	545	0
Chennai +VAT	585	590	-5
Hyderabad +VAT	550	550	0

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

Centres	04.01.07	03.01.07	Change
Mumbai +VAT	450	455	-5
Hyderabad +VAT	450	452	-2
Rajkot + VAT	436	442	-6
Delhi	433	435	-2

Forex Rates

(As on 04.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.42
European Union	Euro	58.46
Japan	100 Yen	37.20
United Kingdom	Pound Sterling	86.61

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	11,000	Palm oil	Expected (06.01.2007)
	Fujigawa-III	10,800	Palm oil	Arrived (30.12.2006)
Kandla	M.T. Perka	18,000	SBO	Expected (06.01.2007)
	Shintuku	15,000	Palm oil	Arrived (03.01.2007)
Kolkata	Shima Kaze	6,500	CPO	Arrived (29.12.2006)
Manglore	Nogoginy	5,000	CPO	Expected (04.01.2007)
	Marida Patnus	15,000	CPO	Arrived (26.12.2006)
Mundra	Theresa Jupiter	15,500	CPO	Arrived (02.01.2007)
Tuticorin	Spring Glory	7,300	Palm oil	Expected (04.01.2007)

*With CPS and PFAD

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