

VEGOIL DAILY

January 09th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil stood weak amidst shattered BMD with prevailing poor domestic demand. Few markets kept range bound on steady demand/supply. Soybeans arrivals improved as stockists are more interested to empty their inventories prior to other Rabi arrivals in days to come aided bearish tone in the market. Crude soy oil CIF prices remained unchanged and quoted at \$705 for February shipment on Monday. Trades are expecting its prices to fall further on abound beans arrivals in coming days.

FUTURES MARKET:

The most active February contract of soy oil futures at NCDEX opened weak Rs. 0.60 at Rs. 471.60 per 10 kg to previous closing at Rs. 472.20 per 10 kg. Following BMD soy oil futures at NCDEX remained weak during most part of trade-session. Market closed Rs. 2.05 at Rs. 470.15/10kg to yesterday closing at Rs. 472.20/10kg.

PRICE DRIVERS:

1. Improved meal export during December month
2. Soybeans arrivals increased
3. Steady crude soy oil CIF prices
4. Weak domestic demand
5. Declined BMD

Weather

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

TECHNICALS

The short candlestick with longer shadow indicated sellers remain dominated during trade-session. Stochastic came close to make bullish crossover closed to oversold region. Prices stood below 9 days and 18 days EMA indicated bearish sentiments. MACD is moving steadily to negative territory after bearish crossover. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	463	466	470.15	477	480

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:

Sell Below 473; T1 near 471, T2 470 and put stop loss at 475.

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

Centres	08.01.07	06.01.07	Change
Mumbai (Soy Ref oil)+VAT	457	457	0
Indore (Soy Ref oil)+VAT	435	438	-3
Kota (Soy Ref. Oil)+VAT	444	445	-1
Hyderabad (Soy Ref)+VAT	460	470	-10
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Finish Down

The most active March contract of crude palm oil fell sharply MYR77 below psychological level at MYR1,884/tonne on Monday at Bursa Malaysian Derivatives amidst weak technical indicators and improved weather conditions against earlier expectations of heavy rains. Weakness in crude oil prices pushed biodiesel demand down with lacklustre sentiments in other commodities confirmed bearish tone in the market.

Domestic Spot Market Highlights

Despite weak BMD, domestic palm oil prices gain in the spot market on improved demand and expected disruption over supply from Malaysia due to bad weather conditions forecasted in coming days. The crude palm oil CIF prices remained unchanged and quoted at \$590 for February shipment on Monday. Traders are expecting palm oil prices likely to move further amidst anticipating aforesaid factors in coming days.

BMD: CPO Futures (08.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1972	1954	1954	1925	1927	-45	368
Feb.07	1966	1945	1945	1900	1906	-60	1317
Mar.07	1961	1958	1959	1882	1884	-77	12206
Apr.07	1957	1950	1953	1873	1875	-82	4208
May.07	1951	1935	1935	1868	1870	-81	415

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	08.01.07	06.01.07	Change
Kandla CPO (5 % FFA)	416	418	-2
Kandla RBD Palmolein +VAT	438	435	+3
Mumbai RBD Palmolein +VAT	457	456	+1
Chennai RBD Palmolein +VAT	462	462	0
Kakinada RBD Palmolein +VAT	450	449	+1
Hyderabad RBD Palmolein +VAT	472	468	+4
Delhi RDB Palmolein	465	465	0

Rape/Mustard oil

Steady demands/supply and crushing kept spot prices of mustard oil range bound. Nafed revised mustard seeds prices at Rs. 1705/1740 per quintal for stock during 2005/06. In lack of fresh fundamental news, its prices likely to remain steady in coming days.

Refined Groundnut Oil

Expecting shortage in off-season provided firm platform for fresh buying of refined groundnut oil in physical market. In Rajkot, shelled groundnut prices improved slightly at Rs. 432 per 20kg on Monday. In near-terms, traders are anticipating further improvement in groundnut oil prices on low crushing against market requirement.

Refined Sunflower Oil

Improved demand and declined seeds arrivals strengthen refined sunflower oil prices in the physical markets. The CIF prices of sunflower oil quoted at \$696 per tonne for February shipment on Monday. Seeds arrivals are likely to determine factors of sunflower oil prices in coming days.

Refined Cotton Oil

Refined cotton oil prices declined in the spot market on continuous sluggish demand and steady seeds arrivals. Producers are releasing seeds in lesser quantity as waiting prices to be dearer in coming days limited fall of refined cotton oil. Low demand and steady crushing likely to keep bears up in coming days.

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

Centres	08.01.07	06.01.07	Change
Mumbai (Exp. Oil) +VAT	454	452	+2
Kota (Expeller Oil)+VAT	420	420	0
Jaipur (Expeller Oil)+VAT	422	422	0
Delhi (Expeller Oil)	445	450	-5
Neewai (Expeller Oil) +VAT	418	418	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	08.01.07	06.01.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	575	570	+5
Andhra Region +VAT	660	645	+15
Chennai +VAT	600	600	0
Delhi	580	575	+5

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

Centres	08.01.07	06.01.07	Change
Mumbai +VAT	540	540	0
Chennai +VAT	575	570	+5
Hyderabad +VAT	550	540	+10

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

Centres	08.01.07	06.01.07	Change
Mumbai +VAT	450	453	-3
Hyderabad +VAT	450	453	-3
Rajkot + VAT	438	440	-2
Delhi	430	435	-5

Forex Rates

(As on 08.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.42
European Union	Euro	57.80
Japan	100 Yen	37.57
United Kingdom	Pound Sterling	85.79

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	11,000	Palm oil	Expected (06.01.2007)
	ACE-7	4,720	Palm oil	Expected (12.01.2007)
Kandla	M.T. Perka	18,000	SBO	Expected (06.01.2007)
	Shintuku	15,000	Palm oil	Berthed (3.01.2007)
Manglore	Nogoginy	5,000	CPO	Expected (06.01.2007)
Mundra	Champion Vincita	13,000	CDSBO	Expected (09.01.2007)
Tuticorin	Spring Glory	7,300	Palm oil	Arrived (04.01.2007)

*With CPS and PFAD

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2005 Indian Agribusiness Systems Pvt Ltd.