

VEGOIL DAILY

January 08th, 2007

REFINED SOY OIL

FUNDAMENTALS

Spot prices of refined soy oil remained range bound on steady demand/supply, declined crude soy oil CIF prices and bullish overnight CBOT despite weak USDA exports sales report. However, beans production has improved in 2006/07 but hold back by producers and stockist to fetch good returns when prices lucrative results declined beans arrivals but equal aggressive buying supported steadiness in the market. Crude soy oil quoted at \$705/tonne for January shipment on Saturday. Traders are expecting soy oil prices gains in coming days on underlying bullish development at BMD. The NCDEX soy oil futures witnessed speculative selling on lack of rallies during trade day.

PRICE DRIVERS:

1. Weak USDA export sales
2. Steady meal demand
3. Soybeans prices are not dearer
4. Declined crude soy oil CIF prices
5. Steady domestic demand

Weather

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

TECHNICALS

The long red candlestick pointed towards lack of rally with bearish sentiments as sellers dominated in the market. Stochastic came close to make bullish crossover in the oversold region with low divergence. Prices touched 9 days and 18 days EMA supported bearish sentiments. MACD moved forward after bearish crossover to negative territory. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	456	459	462.65	473	477

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Buy Above 464; T1 near 466, T2 467 and put stop loss at 462.

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

Centres	06.01.07	05.01.07	Change
Mumbai (Soy Ref oil)+VAT	457	457	0
Indore (Soy Ref oil)+VAT	438	436	+2
Kota (Soy Ref. Oil)+VAT	445	445	0
Hyderabad (Soy Ref)+VAT	470	470	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

In lack of direction on closure of overseas market, mixed demand and declined CIF prices, palm oil prices remains to weaker side. The CIF prices of crude palm oil quoted at \$590/tonne for January shipment on Saturday. Prediction for heavy rain in Malaysia would have bullish impacts on BMD and domestic market in near-terms.

BMD: CPO Futures (05.01.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1971	1940	1971	1940	+47	1924	236
Feb.07	1964	1915	1967	1915	+48	1916	860
Mar.07	1962	1915	1970	1911	+43	1919	12798
Apr.07	1957	1914	1964	1911	+39	1918	3863
May.07	1951	1908	1957	1908	+34	1917	164

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	06.01.07	05.01.07	Change
Kandla CPO (5 % FFA)	418	416	+2
Kandla RBD Palmolein +VAT	435	435	0
Mumbai RBD Palmolein +VAT	456	456	0
Chennai RBD Palmolein +VAT	462	461	+1
Kakinada RBD Palmolein +VAT	449	450	-1
Hyderabad RBD Palmolein +VAT	468	465	-3
Delhi RDB Palmolein	465	465	0

Rape/Mustard oil

Improved domestic demand and bullish anticipations for mustard production in 2007 supported upward prices of mustard oil in the spot market. Nafed sold mustard seeds at yesterday prices at Rs. 1700/1735 per quintal of stock during 2005/06. Nafed aggressive movement likely to influence mustard oil prices steady to weak in near-term.

Refined Groundnut Oil

Refined groundnut oil improved in the physical market on declined seeds arrivals with reducing inventories. Low crushing of groundnut seeds these days leads to temporary shortage oil in the market supported gains. In Rajkot market, shelled groundnut available at Rs. 430/20kg on Saturday. Weak meals demand from exporters likely to have bearish impact on groundnut oil in coming days.

Refined Sunflower Oil

Improved sunflower oil CIF prices, steady seeds arrivals with equal aggressive buying kept refined sunflower oil prices range bound in the spot market and CIF prices quoted at \$696/ tonnes for January shipment on Saturday. Seeds arrivals status likely to check gains of oil prices in coming days.

Refined Cotton Oil

Following groundnut oil, refined cotton oil remains bullish in the spot market as both are arrivals crop and share same market but weak demand limited the gains. Seed arrivals slightly declined had mixed reaction. Traders are expecting, cotton oil likely to remain with other vegetable oil in near-terms.

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

Centres	06.01.07	05.01.07	Change
Mumbai (Exp. Oil) +VAT	452	450	+2
Kota (Expeller Oil)+VAT	420	415	+5
Jaipur (Expeller Oil)+VAT	422	420	+2
Delhi (Expeller Oil)	450	450	0
Neewai (Expeller Oil) +VAT	418	420	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	06.01.07	05.01.07	Change
Mumbai +VAT	585	580	+5
Rajkot +VAT	570	560	+10
Andhra Region +VAT	645	645	0
Chennai +VAT	600	600	0
Delhi	575	565	+10

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

Centres	06.01.07	05.01.07	Change
Mumbai +VAT	540	535	+5
Chennai +VAT	570	570	0
Hyderabad +VAT	540	540	0

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

Centres	06.01.07	05.01.07	Change
Mumbai +VAT	453	448	+5
Hyderabad +VAT	453	455	-2
Rajkot + VAT	440	438	+2
Delhi	435	440	-5

Forex Rates

(As on 06.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.29
European Union	Euro	57.59
Japan	100 Yen	37.34
United Kingdom	Pound Sterling	85.51

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

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