

VEGOIL DAILY

February 01st, 2007

REFINED SOY OIL

SPOT MARKET:

Today, prices for refined soy oil remained mixed in the physical market on sluggish demand. In Mumbai and Hyderabad, soy oil prices stood range bound on steady supply/demand while fresh buying from resellers supported bullish sentiments in Indore and Kota. Firm sentiments at BMD and CBOT had spill over impact domestically. Crude soy oil CIF prices increased sharply and quoted at \$680/tonne against previous closing of \$672 for February shipment on Wednesday. In coming days soy oil prices likely to trade steady to bearish on pressure from cheap availability of other edible oil (palm oil, cotton oil etc).

FUTURES MARKET:

The soy oil futures at NCDEX settled high to yesterday closing. The benchmark of February contract opened Rs. 1.8 down at Rs. 452/10kg to yesterday closing at Rs. 450.2/ctl. The soy oil futures remained firm on tracking bullish BMD and profit taking and resulting speculative buying during most part of trade day. Market finished at Rs 3.1 up at Rs. 453.3/10kg to previous closing.

PRICE DRIVERS:

1. Bullish CBOT and BMD
2. Sluggish demand
3. Improved overall soybeans arrivals
4. Improved crude soy oil CIF prices

Weather

Mainly clear weather in most of soybeans growing areas would facilitate arrivals.

TECHNICALS

Refined soy oil chart is showing developing bullish trends. The prices closed near 9-days but below 18-days EMA, indicated underlying bullish sentiments. MACD progressed further deep in the negative territory is showing bearish trends yet to complete. Stochastics came closer to make bearish crossover in the oversold region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	449	447	453.3	460	463

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:
Sell Below 454; T1 near 452 then 451 and put stop loss at 456.

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

Centres	31.01.07	30.1.07	Change
Mumbai (Soy Ref oil)+VAT	445	445	0
Indore (Soy Ref oil)+VAT	427	426	+1
Kota (Soy Ref. Oil)+VAT	433	430	+3
Hyderabad (Soy Ref)+VAT	450	MC	-
Rajkot (Soy Ref)+Tax	450	453	-3

PALM OIL

International Highlights

Crude Palm oil Futures Upsurge at BMD

Firmness at CBOT and rallies in crude oil futures forced crude palm oil futures to settled high across the board at Bursa Malaysian Derivatives on Wednesday and most active April contract ended MYR35 up at MYR1,900/tonne. However, market ignored weak exports sales figures released by a cargo surveyor SGS highlighted palm oil exports fell by 19.1% during January month against a month ago.

Domestic Spot Market Highlights

Despite firmness at BMD, domestic palm oil prices remained range bound on sufficient stocks and sluggish demand. Malaysian palm oil exports to India dropped by 53.56% for January month against corresponding period last month had bearish impact. The crude palm oil CIF remained unchanged and quoted at \$575/tonne for February shipment on Wednesday. Traders refused possibility of abrupt improvement on lack of underlying bullishness at BMD.

BMD: CPO Futures (31.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
	1892	1908	1908	1890	1901	+9	443
Mar.07	1880	1893	1905	1880	1905	+25	1891
Apr.07	1865	1880	1900	1870	1900	+35	6564
May.07	1853	1863	1905	1863	1905	+52	2525
Jun.07	1849	1864	1880	1862	1880	+31	285

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	31.01.07	30.01.07	Change
Kandla CPO (5 % FFA)	396	395	+1
Kandla RBD Palmolein +VAT	420	420	0
Mumbai RBD Palmolein +VAT	440	440	0
Chennai RBD Palmolein +VAT	435	435	0
Kakinada RBD Palmolein +VAT	423	MC	-
Hyderabad RBD Palmolein +VAT	450	MC	-
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	31.01.07	30.1.07	Change
Crude Soy Oil	680	672	+8
Crude Palm Oil	575	575	0
Sunflower Oil	686	679	+7

Rape/Mustard oil

Nafed revised down mustard seeds prices at Rs. 1730/qrtl for Jaipur region as compared to previous Rs. 1725/qrtl while at Rs. 1680/qrtl against previous Rs. 1675/qrtl for rest of regions. Demand for mustard oil improved from stockists anticipating production of mustard is expected to be low in 2006-07 at 58.5 lakh tonnes in comparison with 67.7 lakh tonnes for 2005-06.

Refined Groundnut Oil

Good demand from resellers and stockists firmed up refined groundnut oil prices in the physical market. In Rajkot shelled groundnut quoted at Rs. 470/20kg on Wednesday against 465/20kg on Monday. Its price likely to trades bullish in coming days on current good demand from stockists.

Refined Sunflower Oil

Refined sunflower oil traded bearish on good seeds arrivals and steady demand. Sunflower oil CIF increased and quoted at \$ 686/tonne as compared to yesterday's \$679/tonne for February shipment on Wednesday. Traders are expecting its prices likely to trade steady to bearish on good seeds arrivals ahead.

Refined Cotton Oil

Following groundnut oil and other vegetable oil, refined cotton oil prices improved in the physical market. Seed arrivals declined slightly resulting mixed reaction. Due to good crop and steady releases for solvent extractors, cotton oil prices likely to improve further in near-terms.

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

Centres	31.1.07	30.1.07	Change
Mumbai (Exp. Oil) +VAT	450	450	0
Kota (Expeller Oil)+VAT	410	405	+5
Jaipur (Expeller Oil)+VAT	413	418	-5
Delhi (Expeller Oil)	440	438	+2
Neewai (Expeller Oil) +VAT	410	409	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	31.01.07	30.01.07	Change
Mumbai +VAT	615	612	+3
Rajkot +VAT	625	615	+10
Andhra Region +VAT	670	MC	-
Chennai +VAT	630	630	0
Delhi	640	640	0

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

Centres	31.01.07	30.01.07	Change
Mumbai +VAT	570	570	0
Chennai +VAT	585	590	-5
Hyderabad +VAT	580	MC	-

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

Centres	31.01.07	30.01.07	Change
Mumbai +VAT	444	440	+4
Hyderabad +VAT	445	MC	-
Rajkot + VAT	440	441	-1
Delhi	430	428	+2

Forex Rates

(As on 31.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.17
European Union	Euro	57.25
Japan	100 Yen	36.41
United Kingdom	Pound Sterling	86.66

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Star Dream	6,000	Palm oil	Expected (01.02.2007)
Kandla	Samho Cygnus	5,300	Palm oil	Expected (03.02.2007)
	Hari Kripa	2,000	CFA	Expected (31.01.2007)
Tuticorin	Global Eros	5,200	Palm oil	Expected (30.01.2007)

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