

VEGOIL DAILY

January 04th, 2007

REFINED SOY OIL

FUNDAMENTALS

Weak domestic demand, unchanged base import prices of imported oil, fade BMD and spill over impact of reduced import duty of refined edible oil and crude palm oil from SAFTA nations cast weakness of refined soy oil in the domestic market. Low meals demand from exporters stood low soybeans crushing despite supportive crushing margins aided bearishness. The crude soy oil CIF price remained unchanged and quoted at \$723 per ton on Wednesday. On likely extended weakness at BMD on dissipated weather conditions would have same reflection in domestic market in coming days. Following weakness at BMD NCDEX soy oil futures remained weak and witnessed speculative selling during trade day.

PRICE DRIVERS:

1. Weakness at BMD
2. Unchanged base prices of imported oil
3. Reduction of edible oil import duty
4. from SAFTA nations
5. Unchanged Crude soy oil CIF prices
6. Declined arrivals with weak demand

Weather

Fall in day temperature in the central and western parts of countries would be supportive for trade activities.

TECHNICALS

The hammer formation by red candlestick indicating bullish reversal after a declined. Stochastic continue to remain bearish as approaching towards oversold region. Prices closed below 9 days and 18 days EMA indicating weak sentiments. MACD remain bearish with little divergence and likely to make bearish crossover. Volume increased and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	452	455	464.05	471	473

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

Sell Below 464; T1 near 462, T2 461 and put stop loss at 466.

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

Centres	03.01.07	02.01.07	Change
Mumbai (Soy Ref oil)+VAT	460	460	0
Indore (Soy Ref oil)+VAT	437	440	-3
Kota (Soy Ref. Oil)+VAT	450	452	-2
Hyderabad (Soy Ref)+VAT	465	470	-5
Rajkot (Soy Ref)+Tax	460	465	-5

PALM OIL

International Highlights

BMD Crude Palm oil Futures Finish Weak

Dissipating bad weather conditions in major producing areas coupled with anticipating weakness at soy oil futures aced up crude palm oil futures at Bursa Malaysian Derivatives on Wednesday. Strengthen ringgit, fell exports sales from SGS Cargo surveyor estimations for December month had bearish impact and crude palm oil futures March contracts settled down MYR33 at MYR 1,962 per metric ton.

Domestic Spot Market Highlights

Fall BMD crude palm oil futures, steady CIF prices, unchanged base prices of imported oil and steady domestic demand had bearish impact on palm oil in the spot market. The CIF prices of crude palm oil stood unchanged and quoted at \$600 per ton for January shipment on Wednesday. Traders are expecting its prices to fall further on underlying bearishness at BMD.

BMD: CPO Futures (03.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1976	1986	1987	1962	1962	-14	533
Feb.07	1996	1982	1997	1960	1960	-36	757
Mar.07	1995	1988	2002	1962	1962	-33	6319
Apr.07	1996	1980	2000	1961	1962	-34	1228
May.07	2002	1990	1992	1965	1965	-37	157

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	03.01.07	02.01.07	Change
Kandla CPO (5 % FFA)	420	420	0
Kandla RBD Palmolein +VAT	440	440	0
Mumbai RBD Palmolein +VAT	460	460	0
Chennai RBD Palmolein +VAT	470	470	0
Kakinada RBD Palmolein +VAT	450	455	-5
Hyderabad RBD Palmolein +VAT	457	469	-12
Delhi RDB Palmolein	460	465	-5

Rape/Mustard oil

Nafed further dropped mustard seed prices by Rs. 10-20 at Rs. 1695/1730 per 100 kg enervated mustard oil prices in the domestic market combined with weak demand. In Delhi its prices fell on fresh arrival of mustard oil with poor offtake. On prevailing weak demand, mustard oil prices likely to show similar sentiments in coming days.

Refined Groundnut Oil

Depleting stock of refined ground oil with poor replenishing amidst low seed crushing supported its prices in the spot market. In Rajkot market, shelled groundnut prices remained unchanged and quoted at Rs. 428 per 20kg on Wednesday. In low crushing status, further price improvement could be noticed.

Refined Sunflower Oil

Fresh arrivals of sunflower seeds in the few markets with sluggish demand and ample oil stock amidst discharged of import sunflower oil echoed weakness in the spot market. The sunflower oil CIF prices unchanged and quoted at \$600 per ton for January shipment on Wednesday. Abound seed arrival is expecting in coming days would reflect similar impact in near-term.

Refined Cotton Oil

Following other edible oils, refined cotton oil stood weak in the domestic market. Seeds arrivals remain steady to yesterday aids bearish impact. Underlying bullish impact of overseas market likely to have similar impact in coming days.

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

Centres	03.01.07	02.01.07	Change
Mumbai (Exp. Oil) +VAT	454	458	-4
Kota (Expeller Oil)+VAT	418	422	-2
Jaipur (Expeller Oil)+VAT	422	425	-3
Delhi (Expeller Oil)	445	468	-23
Neewai (Expeller Oil) +VAT	417	420	-3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	03.01.07	02.01.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	565	565	0
Andhra Region +VAT	650	640	+10
Chennai +VAT	610	615	-5
Delhi	565	560	+5

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

Centres	03.01.07	02.01.07	Change
Mumbai +VAT	545	555	-10
Chennai +VAT	590	587	+3
Hyderabad +VAT	550	585	-35

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

Centres	03.01.07	02.01.07	Change
Mumbai +VAT	455	455	0
Hyderabad +VAT	452	455	-3
Rajkot + VAT	442	445	-3
Delhi	435	440	-5

Forex Rates

(As on 03.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.33
European Union	Euro	58.88
Japan	100 Yen	37.32
United Kingdom	Pound Sterling	87.49

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	11,000	Palm oil	Expected (05.01.2007)
	Fujigawa-III	10,800	Palm oil	Arrived (30.12.2006)
Chennai	Spring Wind	3,800	CPO	Arrived (02.01.2007)
Kandla	Gemini	10,500	CPO*	Arrived (31.12.2006)
	Shintuku	15,000	Palm oil	Expected (03.01.2007)
Kolkata	Shima Kaze	6,500	CPO	Arrived (29.12.2006)
Manglore	Nogoginy	5,000	CPO	Expected (04.01.2007)
Mundra	Theresa Jupiter	15,500	CPO	Arrived (02.01.2007)
Tuticorin	Sichem Padua	5,600	Palm oil	Expected (02.01.2007)
	Spring Glory	7,300	Palm oil	Expected (04.01.2007)

*With CPS and PFAD

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