

## VEGOIL DAILY

January 18th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Improved domestic demand and slight shortage supported spot prices of refined soy oil across domestic market ignored bearish impact of BMD and CBOT coupled with declined crude soy oil CIF prices and weakness at crude oil prices. Chennai and Hyderabad market reopened with bullish sentiments. Soymeal demand increased at domestic market as well as at port aided bullish impact. Crude palm oil CIF prices declined at \$ 689/tonne from yesterday's \$695/tonne for February shipment on Wednesday. In lack of fresh fundamental development, its soy oil prices likely to remained bearish in coming days.

#### FUTURES MARKET:

Soy oil futures February contract at NCDEX opened weak Rs1.35 down at Rs. 472.8/10kg to yesterday closing at Rs 474.15/10kg. In lack of fresh development soy oil February contract witnessed speculative selling on choppy trade day. Market finished Rs 2.05 down at Rs. 472.1/10kg to yesterday closing.

#### PRICE DRIVERS:

1. Bearish BMD crude palm oil futures
2. Declined crude soy oil CIF prices
3. Improved domestic demand
4. Steady beans arrivals

#### Weather

Mainly dry weather in major growing areas would facilitate beans arrivals in coming days.

#### TECHNICALS

Soy oil is showing indecision at higher levels; however, choppy trading followed by speculative buying in later half of trade-session is a positive sign. Prices remained between 9 days and 18 days EMA had indecisiveness. MACD came closer and likely to make bullish crossover into negative territory. Volume declined but open interest increased.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	463	466	472.1	478	481

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:  
**SELL Below 472, T1 469 and put stop loss at 474.**

: (Rs/10Kg excluding VAT)

Centres	17.01.07	16.01.07	Change
Mumbai (Soy Ref oil)+VAT	462	460	+2
Indore (Soy Ref oil)+VAT	442	438	+4
Kota (Soy Ref. Oil)+VAT	446	445	+1
Hyderabad (Soy Ref)+VAT	470	NA	-
Rajkot (Soy Ref)+Tax	460	460	0

## PALM OIL

### International Highlights

#### Crude Palm oil Futures Finish Weak at BMD

Overnight weakness at CBOT soy oil futures had same reflection on crude palm oil futures at Bursa Malaysia Derivatives on Wednesday and most active April contract finished MYR 44 down at MYR 1,903/tonne from yesterday. Improving weather conditions and weakness in crude oil prices depressed crude palm oil demand for biodiesel purpose had bearish impact.

### Domestic Spot Market Highlights

Spot prices of palm oil remained on bullish notch to yesterday on improved demand and depleting stocks in the domestic market. Unchanged crude palm oil CIF prices, which quoted at \$590 /tonne for February shipment on Wednesday had mixed reaction. Traders are keeping close eye on the development in overseas and domestic market and expecting bullish sentiments in coming days.

BMD: CPO Futures (17.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1966	1950	1962	1930	1930	-36	261
Mar.07	1954	1935	1949	1909	1918	-36	2415
Apr.07	1947	1934	1941	1895	1903	-44	8802
May.07	1936	1922	1930	1887	1895	-41	1041
Jun.07	1927	1915	1915	1887	1887	-40	84

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	17.01.07	16.01.07	Change
Kandla CPO (5 % FFA)	417	417	0
Kandla RBD Palmolein +VAT	440	436	+4
Mumbai RBD Palmolein +VAT	462	460	+2
Chennai RBD Palmolein +VAT	460	NA	-
Kakinada RBD Palmolein +VAT	448	NA	-
Hyderabad RBD Palmolein +VAT	467	NA	-
Delhi RDB Palmolein	465	465	0

### CIF Price Basis Kandla Port (\$/ MT)

Edible Oil	17.01.07	16.01.07	Change
Crude Soy Oil	689	695	-6
Crude Palm Oil	590	590	0
Sunflower Oil	690	691	-1

### Rape/Mustard oil

Improved demand and Nafed revision of mustard seeds prices by Rs.5 had bullish impact the physical market. Nafed sold mustard seeds at Rs. 1700/1745 per qtl for [seeds stocked during 2005/06]. Aggressive mood of Nafed would determine its prices in near-terms.

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

Centres	17.01.07	16.01.07	Change
Mumbai (Exp. Oil) +VAT	456	455	+1
Kota (Expeller Oil)+VAT	418	415	+3
Jaipur (Expeller Oil)+VAT	428	427	+1
Delhi (Expeller Oil)	452	452	0
Neewai (Expeller Oil) +VAT	418	418	0

### Refined Groundnut Oil

Despite slightly improved Rabi sowing of groundnut [gn] in Andhra Pradesh, Karnataka; refined gn oil prices remained unchanged to yesterday on steady demand/supply. In Rajkot, shelled gn seeds prices remained unchanged and quoted at Rs. 442/20kg [bag] with arrival of 50,000 bags. Its prices likely to remained range bound on assembly polls ahead.

### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	17.01.07	16.01.07	Change
Mumbai +VAT	610	600	+10
Rajkot +VAT	595	590	+5
Andhra Region +VAT	650	NA	-
Chennai +VAT	610	NA	-
Delhi	585	585	0

### Refined Sunflower Oil

Declined sunflower (snf) seeds arrivals with lacklustre trade activities on festive mood ignored increased snf oil CIF prices and refined snf oil remained steady across domestic market. CIF prices of snf oil quoted at \$691/tonne for February shipment on Tuesday. Snf Oil prices likely to remains steady on extend festive moods in coming days.

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

Centres	17.01.07	16.01.07	Change
Mumbai +VAT	580	560	+20
Chennai +VAT	595	NA	-
Hyderabad +VAT	560	NA	-

### Refined Cotton Oil

Declined cotton (cn) seeds arrivals with good demand from vanaspati makers had bullish impact in the domestic market and supported prices gains of refined cn oil. Being the cheapest among edible oil, its prices likely to remain bullish in near-terms.

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

Centres	17.01.07	16.01.07	Change
Mumbai +VAT	461	458	+3
Hyderabad +VAT	458	NA	-
Rajkot + VAT	445	440	+5
Delhi	435	433	+2

### Forex Rates

(As on 17.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	57.27
Japan	100 Yen	36.69
United Kingdom	Pound Sterling	86.87

**PORT-WATCH (Latest):**  
**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	ACE-7	4,720	Palm oil	Arrived (11.01.2007)
	Pertiwi	7,700	Palm oil	Expected (18.01.2007)
Kandla	Suzanne	10,000	Palm oil	Arrived (13.01.2007)
	Hari Kripa	2,000	CFA	Arrived (14.01.2007)
	Harsanadi	10,000	Palm oil	Expected (25.01.2007)
	Aries	8,970	SBO	Arrived (14.01.2007)
Chennai	Neptun	8,500	SFO	Arrived (10.01.2007)
Tuticorin	Spring wind	4,100	Palm oil	Expected (16.01.2007)

\*With CPS and PFAD

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