

VEGOIL DAILY

January 16th, 2007

REFINED SOY OIL

SPOT MARKET:

Despite new bird flu outbreaks in Thailand, Japan and Vietnam, domestic refined soy oil gained across the nation on improved demand to yesterday and sharp gains at BMD. Market ignored the bullish edible oil import data, which increased during December month. Beans arrivals improved slightly even few markets remained closed for celebrations of Makar Sankranti festival. Crude soy oil CIF declined sharply and quoted at \$695/metric tonne for February shipment on Monday. Traders are in wait and watch situation and looking closely over development in the overseas and domestic markets.

FUTURES MARKET:

NCDEX soy oil futures opened firmed Rs.0.45 at Rs. 472/10kg to previous closing. Despite bullish BMD, speculative selling witnessed amidst fresh bird flu outbreaks in few countries on February contract. Market finished Rs 0.2 down at Rs. 471.35/10kg to yesterday closing at Rs. 471.55/10kg.

PRICE DRIVERS:

1. Bird flu outbreaks in Thailand, Japan and Vietnam.
2. Edible oil import increased during December month
3. Bullish BMD crude palm oil futures
4. Sharp declined crude soy oil CIF prices
5. Improved domestic demand
6. Declined beans arrivals

Weather

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

TECHNICALS

The filled candlestick with nearly equal upper and lower shadow indicated indecisiveness. Stochastic is moving upward after bullish crossover into neutral region indicating underlying bullish impact. Prices remained between 9 days and 18 days EMA indicated underlying bullishness. MACD progressed into negative territory. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	463	466	471.35	479	482

TRADE RECOMMENDATION:

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

; (Rs/10Kg excluding VAT)

Centres	15.01.07	13.01.07	Change
Mumbai (Soy Ref oil)+VAT	462	452	+10
Indore (Soy Ref oil)+VAT	442	439	+3
Kota (Soy Ref. Oil)+VAT	445	438	+7
Hyderabad (Soy Ref)+VAT	NA	465	-
Rajkot (Soy Ref)+Tax	460	455	+5

PALM OIL

International Highlights

BMD Crude Palm oil Futures Gain Sharply

Crude palm oil futures increased sharply on Monday at Bursa Malaysian Derivatives amidst Friday's rallies on CBOT, profit taking and heavy rains in major producing states and most active February contract settled MYR 46 up at MYR 1,935/tonne. SGS also released bearish palm oil exports figures for the period of January 1-15, which fell by 6.1% against same period last month.

Domestic Spot Market Highlights

Slower trade activities on festival mood, increased domestic demand and sharp gains of CIF prices supported upward prices momentum of palm oil. Crude palm oil CIF prices quoted at \$590/tonne for February shipment on Monday. Palm oil prices might fall in coming days on underlying bearish impact at Malaysia.

BMD: CPO Futures (15.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1945	1955	1960	1930	1929	-16	349
Feb.07	1914	1928	1934	1892	1894	-20	1383
Mar.07	1900	1920	1922	1880	1889	-11	6640
Apr.07	1888	1907	1914	1870	1872	-16	3475
May.07	1880	1890	1898	1862	1860	-20	537

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	15.01.07	13.01.07	Change
Kandla CPO (5 % FFA)	418	NA	-
Kandla RBD Palmolein +VAT	438	434	+4
Mumbai RBD Palmolein +VAT	462	453	+9
Chennai RBD Palmolein +VAT	NA	458	-
Kakinada RBD Palmolein +VAT	NA	445	-
Hyderabad RBD Palmolein +VAT	NA	465	-
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/ MT)

Edible Oil	15.01.07	13.01.07	Change
Crude Soy Oil	695	700	-5
Crude Palm Oil	590	NA	-
Sunflower Oil	685	NA	-

Rape/Mustard oil

Revision on mustard seeds prices by Nafed and increased winter demand had bullish impact in the spot market. Nafed sold mustard seeds at Rs. 1695/1745 per 100kg [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	15.01.07	13.01.07	Change
Mumbai (Exp. Oil) +VAT	454	450	+4
Kota (Expeller Oil)+VAT	420	418	+2
Jaipur (Expeller Oil)+VAT	422	422	0
Delhi (Expeller Oil)	450	450	0
Neewai (Expeller Oil) +VAT	418	413	+5

Refined Groundnut Oil

Improved domestic demand of groundnut [gn] seeds had bullish impact on gn oil and it increased in domestic market. In Rajkot, shelled groundnut quoted at Rs. 442/20kg [bag] with arrivals of 50,000-60,000 bags. Weak meals demand from exporters likely to have bearish impact on oil in days to follow.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	15.01.07	13.01.07	Change
Mumbai +VAT	600	590	+10
Rajkot +VAT	590	580	+10
Andhra Region +VAT	NA	465	-
Chennai +VAT	NA	600	-
Delhi	585	585	0

Refined Sunflower Oil

Despite declined CIF prices, sunflower oil prices gained in domestic market amidst low sunflower seeds arrivals and increased demand due to festival mood. Sunflower oil CIF prices quoted at \$685 per tonne for February shipment on Monday. Its prices likely to improve further anticipating low seeds arrivals on slow trade activities in coming days.

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

Centres	15.01.07	13.01.07	Change
Mumbai +VAT	560	545	+15
Chennai +VAT	NA	570	-
Hyderabad +VAT	NA	550	-

Refined Cotton Oil

Bullish trends in other vegetable oils and increased demand of refined cotton oil strengthens its prices in domestic market. Some pace also provided from declined seeds arrivals. Traders are expecting steady to bullish impact in coming days amidst steady demand.

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

Centres	15.01.07	13.01.07	Change
Mumbai +VAT	457	450	+7
Hyderabad +VAT	NA	440	-
Rajkot + VAT	438	435	+3
Delhi	432	428	+4

Forex Rates

(As on 15.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.31
European Union	Euro	57.29
Japan	100 Yen	36.83
United Kingdom	Pound Sterling	86.82

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	Expected (13.01.2007)
	Hari Kripa	2,000	CFA	Expected (14.01.2007)
	Harsanadi	10,000	Palm oil	Expected (25.01.2007)
	Aries	8,970	SBO	Expected (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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