

VEGOIL DAILY

January 11th, 2007

REFINED SOY OIL

SPOT MARKET:

Sluggish BMD and CBOT on consecutive declined crude oil prices made biodiesel less competitive in the International market whereas palm oil and soy oil are the major source for biodiesel production, aids bearishness in the domestic market. Steep drop of CIF prices with poor domestic demand as soy oil prices are not lucrative against other arrivals likely cotton oil added bearish tone in the market. Stockist are still waiting for further drop to see some trade activities in near-terms. Crude soy oil CIF prices quoted at \$691 per ton for February shipment on Wednesday.

FUTURES MARKET:

The NCDEX soy oil futures opened firmed Rs. 1.60 down at Rs. 468.15 per 10 kg to last closing at Rs. 469.75 per 10 kg. Soy oil futures remained weak on aforesaid factors during trade-session. Market finished Rs. 2.75 down at Rs. 467/10kg to yesterday closing at Rs. 469.15/10kg.

PRICE DRIVERS:

1. Sluggish BMD and CBOT
2. Steep declined crude soy oil CIF prices
3. Poor domestic demand
4. Steady meals demand at ports
5. Declined crude oil prices

Weather

Mainly dry weather in major growing areas would support beans arrivals pressure in near-terms.

TECHNICALS

The bearish candlestick with nearly upper and lower shadow indicated indecisiveness in the market. Stochastic came further closed to make bearish crossover in the oversold region. Prices remained below 9 days and 18 days EMA indicated firm bearish sentiments. MACD is drifted away in the negative territory after bearish crossover. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	461	463	467	475	478

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:

Sell Near 469; T1 near 467, T2 466 and put stop loss at 471.

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

Centres	10.01.07	09.01.07	Change
Mumbai (Soy Ref oil)+VAT	452	452	0
Indore (Soy Ref oil)+VAT	434	436	-2
Kota (Soy Ref. Oil)+VAT	442	442	0
Hyderabad (Soy Ref)+VAT	460	460	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Finish Weak

The crude palm oil futures remained weak on Wednesday at Bursa Malaysian Derivatives and most active march contract finished MYR9 down at MYR1,881 per metric ton amidst sluggish crude oil, soy oil at CBOT and weak technicals ignored mixed exports sales released by SGS cargo surveyor for January 1-10 and Malaysian Palm oil Board (MPOB) for December month. During trade-session CPO futures touched last eight years peak of December month.

Domestic Spot Market Highlights

Tracking weak BMD, domestic palm oil prices reflected similar sentiments in the spot price of palm oil coupled with declined domestic demand and sharp declined of CIF price despite SGS cargo surveyor highlight of crude palm oil exports abruptly increased by 414.28% to 18,000 metric tonne during January 1-10 against 3,500 metric tonne same period last month aided bearish impact. The crude palm oil CIF prices quoted at \$570 per tonne during for February shipment on Wednesday. Further weakness of palm oil could be notice in coming days as winter progress.

BMD: CPO Futures (10.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan.07	1925	1925	1942	1910	1922	-3	163
Feb.07	1897	1895	1907	1885	1895	-2	1025
Mar.07	1890	1877	1927	1853	1881	-9	14745
Apr.07	1865	1865	1914	1839	1861	-4	5672
May.07	1860	1853	1860	1830	1839	-21	434

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	10.01.07	09.01.07	Change
Kandla CPO (5 % FFA)	415	415	0
Kandla RBD Palmolein +VAT	435	436	-1
Mumbai RBD Palmolein +VAT	450	455	-5
Chennai RBD Palmolein +VAT	455	460	-5
Kakinada RBD Palmolein +VAT	445	445	0
Hyderabad RBD Palmolein +VAT	470	470	0
Delhi RDB Palmolein	460	465	-5

Rape/Mustard oil

Steady domestic demand and further cut of mustard seeds prices by Nafed had bearish impact in the spot prices of mustard oil. Good weather conditions for new mustard crop in major growing areas had underlying bearish impact. Nafed revised mustard seeds prices at Rs. 1690/1735 per 100 kg for stock during 2005/06. Further fell of mustard oil prices could be noticed on Nafed aggressive mood in near-terms.

Refined Groundnut Oil

In domestic market balance demand/supply and steady crushing kept spot prices of refined groundnut (gn) oil similar to yesterday prices. In Rajkot market gn prices remain steady on third consecutive days at Rs. 432 per 20kg (bag) with steady arrivals of 50-60,000 bags. Under steady crushing status, gn oil prices likely to remain steady in coming days.

Refined Sunflower Oil

Refined sunflower oil prices stood volatile in the spot market on weak seeds arrivals to yesterday couple with mixed demand and declined sunflower oil CIF prices quoted at \$ 687 per ton for February shipment on Wednesday. In prevailing seeds arrivals conditions prices likely remains volatile in coming days.

Refined Cotton Oil

Being cheaper among other vegetable oils, refined cotton oil demand stood steady. Due to good cotton crop last year (2006), market may witness long but consistent liquidation in the market had underlying bullish impact. Cotton oil prices likely to remains bullish in coming days for anticipation of good demand.

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

Centres	10.01.07	09.01.07	Change
Mumbai (Exp. Oil) +VAT	452	450	+2
Kota (Expeller Oil)+VAT	418	419	-1
Jaipur (Expeller Oil)+VAT	424	425	-1
Delhi (Expeller Oil)	450	450	0
Neewai (Expeller Oil) +VAT	417	420	-3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	10.01.07	09.01.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	573	576	-3
Andhra Region +VAT	660	660	0
Chennai +VAT	600	600	0
Delhi	580	580	0

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

Centres	10.01.07	09.01.07	Change
Mumbai +VAT	545	542	+3
Chennai +VAT	570	575	-5
Hyderabad +VAT	550	550	0

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

Centres	10.01.07	09.01.07	Change
Mumbai +VAT	448	446	+3
Hyderabad +VAT	445	445	0
Rajkot + VAT	438	438	0
Delhi	430	435	-5

Forex Rates

(As on 10.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.53
European Union	Euro	57.80
Japan	100 Yen	37.35
United Kingdom	Pound Sterling	86.24

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Eros	11,000	Palm oil	Arrived (06.01.2007)
	ACE-7	4,720	Palm oil	Expected (11.01.2007)
Kandla	Suzanne	10,000	Palm oil	Expected (13.01.2007)
	Aries	8,970	SBO	Expected (13.01.2007)
Mundra	Champion Vincita	13,000	CDSBO	Expected (09.01.2007)
Kolkata	Siam Bhavas	4,400	CPO	Arrived (10.01.2007)

*With CPS and PFAD

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