

VEGOIL DAILY

January 29th, 2007

REFINED SOY OIL

SPOT MARKET:

Steady to bullish sentiments domestically results mixed prices of refined soy oil prices in physical market. Below trade expectation of USDA exports sales report and new bird flu outbreak in Europe had underlying bearish impact. Yesterday strengthens at CBOT and BMD supported bullish impact in Mumbai. Sluggish demand kept bears up in the Indore and Hyderabad market. Crude soy oil CIF prices declined sharply and quoted at \$677/tonne compared to previous \$694/tonne for February shipment on Saturday. In prevailing stockist mood, soy oil prices likely to remained steady to bearish in coming days.

FUTURES MARKET:

Soy oil futures at NCDEX settled down. The most active contract February contract opened Rs.1.65 down at Rs. 456.1/10kg to previous closing at Rs. 457.85/qrtl. The soy oil February contract witnessed speculative selling on lack of fundamental development and weak physical sentiments. Market finished at Rs 2.45 down at Rs. 455.4/10kg to previous closing.

PRICE DRIVERS:

1. Bearish USDA weekly exports sales report
2. New bird flu outbreak in Hungry
3. Sharp break in crude soy oil CIF prices.
4. Sluggish domestic demand

Weather

Thundershower likely to expect over Rajasthan would affect beans arrivals in day to come while clear weather over rest of central regions would facilitate arrivals for beans.

TECHNICALS

Refined soy oil futures remained in the weak trends. Charts are showing continuous weakness in the market. The prices closed below 9-days and 18-days EMA, suggests downtrend in not yet complete. MACD is heading downwards in negative region and running smoothly is indicating increase in bearish momentum. Stochastics remained in the oversold regions and made bullish crossover. Volume declined significantly while open interest marginally improved.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	447	450	455.7	462	465

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:
Buy Near 455; T1 457, T2 458 and put stop loss at 453.

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

Centres	27.1.07	25.01.07	Change
Mumbai (Soy Ref oil)+VAT	452	448	+4
Indore (Soy Ref oil)+VAT	428	430	-2
Kota (Soy Ref. Oil)+VAT	436	437	-1
Hyderabad (Soy Ref)+VAT	455	460	-5
Rajkot (Soy Ref)+Tax	455	453	+2

PALM OIL

International Highlights

Crude Palm oil Futures at BMD Remains Closed on Saturday.

Domestic Spot Market Highlights

Spot prices of palm oil declined sharply since Government reduced duty imported oil resulting exceeding supply to demand. Stockists remained more interest in selling to limit their losses in fall short of expectation of bullish market ahead. Bullish BMD crude palm oil futures remained ignored on devoid of fundamental news. In prevailing selling mood of stockist, palm oil prices likely to remained bearish in coming days.

BMD: CPO Futures (26.01.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1908	1915	1924	1914	1919	+11	181
Mar.07	1878	1975	1975	1875	1898	+20	806
Apr.07	1856	1852	1880	1852	1880	+24	7265
May.07	1845	1834	1948	1834	1860	+15	2375
Jun.07	1833	1845	1850	1834	1834	+1	42

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.01.07	25.01.07	Change
Kandla CPO (5 % FFA)	398	402	-4
Kandla RBD Palmolein +VAT	423	425	-2
Mumbai RBD Palmolein +VAT	445	445	0
Chennai RBD Palmolein +VAT	445	450	-5
Kakinada RBD Palmolein +VAT	428	435	-7
Hyderabad RBD Palmolein +VAT	450	455	-5
Delhi RDB Palmolein	450	NA	-

CIF Price Basis Kandla Port (\$/ MT)

Edible Oil	27.1.07	25.01.07	Change
Crude Soy Oil	677	693	-16
Crude Palm Oil	NA	580	-
Sunflower Oil	674	689	-15

Rape/Mustard oil

Nafed kept mustard seeds prices unchanged at Rs. 1670/qtl for Kota regions while 1720/qtl for Jaipur regions [seed stocked during 2005/06]. Anticipation for harvesting begins by end of first week in February, mustard seeds arrivals improved from stockist but equal aggressive buying results range bound price in most of market. Its prices likely to remained steady ahead on aggressive mood of Nafed.

Refined Groundnut Oil

Prevailing good demand with limited released from processor ends had underlying bullish impact on refined groundnut oil in the physical market. In Rajkot market, shelled groundnut quoted at Rs. 465/20kg (bag) on Saturday with arrivals of 35,000-40,000 bags. Under prevailing good demand, its prices likely to improve in near-term.

Refined Sunflower Oil

Steady demand with improved seeds arrivals coupled with declined CIF price had mixed reaction in the physical market. Sunflower oil CIF prices declined sharply and quoted at \$674/tonne against previous \$689/tonne for February shipment on Saturday. Traders are expecting oil prices to declined further on bearish impact of reduction of duty on sunflower oil.

Refined Cotton Oil

Spot prices of refined cotton oil remained range bound amidst steady demand/supply and steadiness in other vegetable oils. Cottonseed arrivals remain unchanged strengthens steady sentiments in the market. Traders are expecting its prices likely to move in tandem with other vegetable oil in coming days.

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

Centres	27.1.07	25.1.07	Change
Mumbai (Exp. Oil) +VAT	450	453	-3
Kota (Expeller Oil)+VAT	412	412	0
Jaipur (Expeller Oil)+VAT	418	418	0
Delhi (Expeller Oil)	440	440	0
Neewai (Expeller Oil) +VAT	408	408	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	27.01.07	25.01.07	Change
Mumbai +VAT	610	610	0
Rajkot +VAT	610	610	0
Andhra Region +VAT	670	670	0
Chennai +VAT	465	640	+5
Delhi	610	NA	-

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

Centres	27.01.07	25.01.07	Change
Mumbai +VAT	575	575	0
Chennai +VAT	580	585	-5
Hyderabad +VAT	585	580	+5

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

Centres	27.01.07	25.01.07	Change
Mumbai +VAT	443	443	0
Hyderabad +VAT	450	450	0
Rajkot + VAT	439	433	+6
Delhi	425	NA	-

Forex Rates

(As on 27.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.15
European Union	Euro	56.99
Japan	100 Yen	36.32
United Kingdom	Pound Sterling	86.51

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Samho Cygnus	5,300	Palm oil	Expected (30.01.2007)
	Ew Henfield	7,000	CDSBO	Expected (27.01.2007)
	Hari Kripa	2,000	CFA	Expected (27.01.2007)
Tuticorin	Global Eros	5,200	Palm oil	Expected (29.01.2007)
	Spring Wind	4,100	Palm oil	Expected (30.01.2007)

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