

## VEGOIL DAILY

January 30<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil remained range bound on steady supply/demand across domestic markets. Overall beans arrivals declined but poor offtake from millers/crushers on low oil and meal demand kept bears up. In Delhi trade activities remained slower as relaxation for selling approached to final date (by 31 January) support bearishness. Sluggish BMD and reports of third outbreak in Japan had underlying bearish impact. Crude soy oil CIF rates remained unchanged and quoted at \$677/tonne for February shipment on Monday. Traders are expecting soy oil prices declined further in coming days on bearish sentiment in domestic market and overseas market.

#### FUTURES MARKET:

Soy oil futures at NCDEX settled down. The most active February contract opened Rs.1.85 down at Rs. 453.55/10kg to previous closing at Rs. 455.4/ctl. Tracking BMD crude palm oil futures with weak physical sentiments for demand resulting speculative selling on February contract of soy oil futures at NCDEX. Market finished at Rs 4.9 down at Rs. 450.5/10kg to previous closing.

#### PRICE DRIVERS:

1. Third bird flu outbreak in Japan
2. Declined crude palm oil at BMD
3. Unchanged crude soy oil CIF prices.
4. Sluggish domestic demand

#### Weather

Bad weather conditions in southeast Rajasthan, Gujarat and north MP likely to affect beans arrivals in these markets.

#### TECHNICALS

Chart for refined soy oil showed bearish trends. The prices closed below 9-days and 18-days EMA, indicated strong bearishness. MACD is heading smoothly downwards in negative territory accelerated bearish momentum. Stochastics headed forward after bearish crossover in the oversold regions. Volume increased while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	445	447	450.5	457	460

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:  
**Sell Near 452; T1 450, T2 449 and put stop loss at 454.**

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

Centres	29.01.07	27.1.07	Change
Mumbai (Soy Ref oil)+VAT	446	452	-6
Indore (Soy Ref oil)+VAT	428	428	0
Kota (Soy Ref. Oil)+VAT	435	436	-1
Hyderabad (Soy Ref)+VAT	455	455	0
Rajkot (Soy Ref)+Tax	455	455	0

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures End Mixed

The most active April contract of crude palm oil futures ended unchanged to previous closing at MYR 1,874/tonne on choppy trade day on lack of fresh fundamental new of demand and supply. Weak technical also pushed market down. However lack of bullish sentiments for palm oil exports sales data for January month to be release by SGS aids bearishness.

### Domestic Spot Market Highlights

Spot prices of palm oil remained mixed domestically on lack of new fundament news and sluggish demand. In few markets, palm prices increased on improved demand. The crude palm oil CIF prices quoted at \$580/tonne for February shipment on Monday. Sluggish demand across domestic market expected to extend on forecast of decline day and night temperature in ahead on fresh western disturbances ahead.

BMD: CPO Futures (29.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1915	1901	1908	1899	1899	-16	160
Mar.07	1891	1893	1898	1882	1889	-2	2068
Apr.07	1874	1874	1874	1875	1874	0	7328
May.07	1856	1858	1865	1847	1856	0	1555
Jun.07	1850	1845	1855	1835	1854	+4	39

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	29.01.07	27.01.07	Change
Kandla CPO (5 % FFA)	398	398	0
Kandla RBD Palmolein +VAT	420	423	-3
Mumbai RBD Palmolein +VAT	440	445	-5
Chennai RBD Palmolein +VAT	437	445	-8
Kakinada RBD Palmolein +VAT	430	428	+2
Hyderabad RBD Palmolein +VAT	450	450	0
Delhi RDB Palmolein	455	450	+5

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

Edible Oil	29.01.07	27.1.07	Change
Crude Soy Oil	677	677	0
Crude Palm Oil	580	NA	-
Sunflower Oil	674	674	0

### Rape/Mustard oil

Nafed had increased Rs. 5 for mustard seeds, for Kota region it stood at Rs. 1675/qrtl and for Jaipur region it remained at Rs. 1725/qrtl [seed stocked during 2005/06]. Improved demand raised mustard oil prices across domestic market. Its prices are expecting to remain steady to bullish in days to come on increased selling pressure of mustard seeds by stockists and Nafed.

### Refined Groundnut Oil

Spot prices of refined groundnut oil remained range bound across most of the markets on steady supply/demand Cheap availability of sunflower oil had bearish impact on groundnut oil in Chennai. In Rajkot market, shelled groundnut quoted at Rs. 425-475/20kg [bag] with weak arrivals of 15,000-20,000 bags as compared to previous 25-30,000 bags. It prices likely to increase further on depleting quality seeds stocks.

### Refined Sunflower Oil

Unchanged CIF and mixed sentiments of demand kept refined sunflower oil prices volatile. In Chennai good demand to yesterday supported price improvement. Sunflower oil CIF quoted at \$ 674/tonne for February shipment on Monday. Traders are expecting its prices likely to move according to crushing status in coming days.

### Refined Cotton Oil

Following groundnut oil, refined cotton oil prices remained range bound in the spot market as both are arrivals crop and share same market. Its demand remained steady and supported steadiness. Due to steady releases for solvent extractors and good demand likely to support cotton oil prices in near-terms.

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

Centres	29.1.07	27.1.07	Change
Mumbai (Exp. Oil) +VAT	452	450	+2
Kota (Expeller Oil)+VAT	410	412	-2
Jaipur (Expeller Oil)+VAT	415	418	-3
Delhi (Expeller Oil)	442	440	+2
Neewai (Expeller Oil) +VAT	409	408	+1

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

Centres	29.01.07	27.01.07	Change
Mumbai +VAT	610	610	0
Rajkot +VAT	610	610	0
Andhra Region +VAT	670	670	0
Chennai +VAT	635	645	-10
Delhi	610	610	0

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

Centres	29.01.07	27.01.07	Change
Mumbai +VAT	575	575	0
Chennai +VAT	590	580	+10
Hyderabad +VAT	580	585	-5

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

Centres	29.01.07	27.01.07	Change
Mumbai +VAT	443	443	0
Hyderabad +VAT	450	450	0
Rajkot + VAT	446	439	+7
Delhi	420	425	0

### Forex Rates

(As on 29.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	57.13
Japan	100 Yen	36.34
United Kingdom	Pound Sterling	86.71

**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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