

VEGOIL DAILY

January 19th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil declined in the domestic market amidst weak demand and improve influx from stockist for get good premium anticipating coming days may witnessed further fall on increased crushing to meet increasing soymeal demand from exporters. Weakness at CBOT and BMD aided the bearish tone. Hyderabad and Indore witnessed range bound prices on balance demand/supply while in Rajkot, less interest for soy oil as compare to other edible oil like groundnut and cotton oil result unchanged prices to yesterday. Crude soy oil CIF prices declined significantly and quoted at \$681/tonne to previous \$689/tonne for February shipment on Thursday. Soy oil prices likely to declined further in coming days on bullish sentiments for beans crushing ahead.

FUTURES MARKET:

NCDEX soy futures February contract opened firm at Rs. 469/10kg to yesterday closing. Soy oil futures witnessed speculative selling on aforesaid factors during trade most part of trade-session. Market finished at Rs 4.65 down up at Rs. 467.8/10kg to yesterday closing at Rs. 472.45/10kg.

PRICE DRIVERS:

1. Sluggish trade activities
2. Declined crude soy oil CIF prices
3. Good beans crushing to meal demand from exports
4. Weak crude oil prices

Weather

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

TECHNICALS

Soy oil showed strong bearish sentiments. Sellers remain dominated and witnessed speculative selling during trade-day is a negative sign. Prices started above 9 days EMA and extended below 18 days EMA confirmed strong bearish sentiments. MACD made bullish crossover and moving smoothly into negative territory. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	460	463	467.8	477	480

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:
SELL Below 470, T1 468, T2 467 and put stop loss at 472.

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

Centres	18.01.07	17.01.07	Change
Mumbai (Soy Ref oil)+VAT	461	462	-1
Indore (Soy Ref oil)+VAT	442	442	0
Kota (Soy Ref. Oil)+VAT	445	446	-1
Hyderabad (Soy Ref)+VAT	470	470	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remain Mixed

Lack of fresh fundament news of demand and supply with choppy trading witnessed weak palm oil futures at Bursa Malaysia Derivatives on Thursday and most active contract settled MYR 2 up at MYR 1,905/tonne. Uncertainty about biodiesel futures on dwindled crude oil prices had bearish impact on crude palm oil futures. However, firm overnight CBOT limited the losses.

Domestic Spot Market Highlights

Easing Malaysia palm oil futures at BMD and sluggish domestic demand had bearish impact in the domestic market with declined CIF prices, which quoted at \$585/tonne for February shipment on Thursday. During first two months in current oil year [Nov 06-Oct 07] good imported have been reported had underlying bearish impact. Good stock position of palm oil in the domestic market likely to depress further in near-term.

BMD: CPO Futures (18.01.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1930	1930	1935	1917	1930	0	164
Mar.07	1918	1925	1927	1901	1913	-5	2032
Apr.07	1903	1910	1912	1881	1905	+2	11941
May.07	1895	1900	1901	1871	1894	-1	441
Jun.07	1887	1870	1880	1865	1880	-7	25

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	18.01.07	17.01.07	Change
Kandla CPO (5 % FFA)	415	417	-2
Kandla RBD Palmolein +VAT	436	440	-4
Mumbai RBD Palmolein +VAT	461	462	-1
Chennai RBD Palmolein +VAT	460	460	0
Kakinada RBD Palmolein +VAT	447	448	-1
Hyderabad RBD Palmolein +VAT	470	467	+3
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/ MT)

Edible Oil	18.01.07	17.01.07	Change
Crude Soy Oil	681	689	-8
Crude Palm Oil	585	590	-5
Sunflower Oil	682	690	-8

Rape/Mustard oil

Despite Nafed revision of mustard seeds prices and continuous buying from State Trading Corporation (STC); mustard oil prices declined across the market on poor demand. Nafed sold mustard seeds at Rs. 1700-1745/tonne against yesterday 1695-1745/tonne [seeds stocked during 2005/06]. On prevailing aggressive mood of Nafed, its prices likely to come down further in coming days.

Refined Groundnut Oil

Good demand for groundnut seeds and oil anticipating off-season prices would remain high had bullish impact in the domestic market in Hyderabad while some shortage account for improvement in Delhi and rest of market remained range bound on steady demand/supply. Under prevailing well demand, its prices likely to increase further in coming days.

Refined Sunflower Oil

Improved sunflower seeds arrivals with declined other edible oils depressed spot prices of refined sunflower oil. CIF prices also declined significantly had bearish impact and quoted at \$ 682/tonne for February shipment on Thursday. Traders are expecting its prices likely to decline in coming days amidst weakness in other vegetable oils.

Refined Cotton Oil

The long liquation of cotton seeds are expecting this year on ideas of bumper harvest of cotton crop in 2006 against a year ago had underlying bearish impact in the domestic market. Weakness in other vegetable oil with sluggish demand confirmed bearish sentiments. Traders are expecting, cotton oil prices likely to move with other vegetable oil in day to come.

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

Centres	18.01.07	17.01.07	Change
Mumbai (Exp. Oil) +VAT	456	456	0
Kota (Expeller Oil)+VAT	419	418	-1
Jaipur (Expeller Oil)+VAT	426	428	-2
Delhi (Expeller Oil)	450	452	+2
Neewai (Expeller Oil) +VAT	417	418	-1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	18.01.07	17.01.07	Change
Mumbai +VAT	610	610	0
Rajkot +VAT	595	595	0
Andhra Region +VAT	465	650	+15
Chennai +VAT	610	610	0
Delhi	600	585	+15

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

Centres	18.01.07	17.01.07	Change
Mumbai +VAT	575	580	-5
Chennai +VAT	575	595	-20
Hyderabad +VAT	570	560	+10

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

Centres	18.01.07	17.01.07	Change
Mumbai +VAT	460	461	-1
Hyderabad +VAT	455	458	-3
Rajkot + VAT	438	445	-7
Delhi	435	435	0

Forex Rates

(As on 18.01.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.25
European Union	Euro	57.36
Japan	100 Yen	36.58
United Kingdom	Pound Sterling	87.30

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Pertiwi	7,700	Palm oil	Expected (18.01.2007)
Kolkata	Shima Kaze	6,572	CPO	Arrived (17.01.2007)
Kandla	Pertiwi	12,000	Palm oil	Expected (19.01.2007)
	Samho Cygnus	5,300	Palm oil	Expected (26.01.2007)
	Harsanadi	10,000	Palm oil	Expected (25.01.2007)
	Aries	8,970	SBO	Berthed (17.01.2007)
Chennai	Neptun	8,500	SFO	Arrived (10.01.2007)

*With CPS and PFAD

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