

VEGOIL DAILY

February 03rd, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil remained in bearish tone amidst weak demand. Soy oil influx improved from stockist to limit their as losses that expecting coming days may bring more weakness despite firmed BMD. Bullish USDA exports sales figures supported bullishness at CBOT but remained ineffective to produce such effect domestically on poor demand. In Rajkot, low 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 remained unchanged and quoted at yesterday prices of \$674/tonne for February shipment on Friday.

FUTURES MARKET:

The February contract of soy oil futures at NCDEX settled up, contract opened at Rs 451.85/10kg up at Rs. 0.30 to yesterday closing level. Bullish BMD and overnight CBOT supported the sentiments and market witnessed speculative buying during trade session. Market finished at Rs 2.45 up at Rs. 454/10kg to previous closing at Rs. 451.55/10kg.

PRICE DRIVERS:

1. Bullish CBOT and BMD
2. Steady to bullish sentiments for demand
3. Unchanged crude soy oil CIF prices
4. Bullish USDA weekly exports sale figures
5. Steady sentiments for soymeal at port

Weather

Mainly clear weather in most of soybeans growing areas would facilitate arrivals.

TECHNICALS

Refined soy oil chart is showing strong bullishness. The prices came closer to 9-days but 18-days EMA, indicated underlying bullish sentiments. MACD headed upward from deep into negative territory exhibiting. Stochastics also headed upward from oversold region. Volume increased significantly while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	445	448	454	459	462

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:

Buy Above 452; T1 near 454 then 455 and put stop loss at 450.

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

Centres	02.02.07	01.02.07	Change
Mumbai (Soy Ref oil)+VAT	443	445	-2
Indore (Soy Ref oil)+VAT	425	427	-2
Kota (Soy Ref. Oil)+VAT	434	433	+1
Hyderabad (Soy Ref)+VAT	450	452	-2
Rajkot (Soy Ref)+Tax	452	452	0

PALM OIL

International Highlights

Crude Palm oil Futures Firm Up at BMD

Crude palm oil future gained across the board and the most active April contract of crude palm oil futures finished MYR17 up at MYR1,917/tonne at Bursa Malaysia Derivatives on Friday amidst follow-through speculative buying and short covering. Palm oil futures moved in tandem with gains in crude oil and overnight CBOT.

Domestic Spot Market Highlights

Today, spot prices of palm oil traded on bullish tone on tracking BMD with improved demand to yesterday. In Delhi low preference for palm oil kept its rate unchanged. Unchanged crude palm oil CIF prices, which quoted at \$580 /tonne for February shipment on Friday had mixed reaction. It prices is likely to trade range bound in coming days on lack of new fundamental new and underlying bearishness at BMD.

BMD: CPO Futures (02.02.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1901	1912	1927	1912	1922	+21	425
Mar.07	1905	1910	1925	1821	1922	+17	2084
Apr.07	1900	1912	1921	1905	1917	+17	5150
May.07	1905	1904	1914	1897	1913	+8	1856
Jun.07	1880	1890	1907	1888	1905	+25	199

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	02.02.07	01.02.07	Change
Kandla CPO (5 % FFA)	397	396	+1
Kandla RBD Palmolein +VAT	418	418	0
Mumbai RBD Palmolein +VAT	444	440	+4
Chennai RBD Palmolein +VAT	437	435	+2
Kakinada RBD Palmolein +VAT	423	422	+1
Hyderabad RBD Palmolein +VAT	450	448	+2
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	02.02.07	01.02.07	Change
Crude Soy Oil	674	674	0
Crude Palm Oil	580	580	0
Sunflower Oil	678	678	0

Rape/Mustard oil

Today, Nafed hiked mustard seeds prices and new rates stood at Rs.1745/qrtl for Jaipur region against previous rates of Rs. 1735/qrtl while it remained at Rs. 1695/qrtl against previous Rs. 1685/qrtl for rest of regions. Improved demand from other states supported mustard oil prices in Rajasthan regions. Trades are expecting its prices to trade range bound on lack of fresh news.

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

Centres	02.02.07	01.02.07	Change
Mumbai (Exp. Oil) +VAT	450	450	0
Kota (Expeller Oil)+VAT	411	410	+1
Jaipur (Expeller Oil)+VAT	414	413	+1
Delhi (Expeller Oil)	440	440	0
Neewai (Expeller Oil) +VAT	411	411	0

Refined Groundnut Oil

Refined groundnut oil prices stood range bound across most of the markets on balance in demand and supply while in Delhi fresh arrivals had bearish impact. In Rajkot market, shelled groundnut quoted unchanged at Rs. 470/20kg [bag] with weak arrivals of 25,000-30,000 bags against previous 15-20,000 bags. It prices likely to increase further on underlying bullish sentiments for demand.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	02.02.07	01.02.07	Change
Mumbai +VAT	630	630	0
Rajkot +VAT	630	630	0
Andhra Region +VAT	675	675	0
Chennai +VAT	635	635	0
Delhi	645	650	-5

Refined Sunflower Oil

Unchanged CIF and steady demand/supply supported range bound prices of refined sunflower oil in the spot market. In Hyderabad low arrivals supported prices improvement. Sunflower oil CIF remain unchanged and quoted at \$ 678/tonne for February shipment on Friday.

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

Centres	02.02.07	01.02.07	Change
Mumbai +VAT	568	568	0
Chennai +VAT	585	585	0
Hyderabad +VAT	580	575	+5

Refined Cotton Oil

Refined cotton oil prices subdued in the spot market amidst steady to bearish sentiments for other edible oil and weak demand. Cottonseeds arrivals improved to yesterday had bearish impact. Weakness in other vegetable oil could witness further weakness on refined cotton oil in coming days.

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

Centres	02.02.07	01.02.07	Change
Mumbai +VAT	445	446	-1
Hyderabad +VAT	442	442	0
Rajkot + VAT	435	440	-5
Delhi	430	430	0

Forex Rates

(As on 02.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.11
European Union	Euro	57.44
Japan	100 Yen	36.55
United Kingdom	Pound Sterling	86.79

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Star Dream	6,000	Palm oil	Expected (01.02.2007)
Kandla	Samho Cygnus	6,374	Palm oil	Expected (01.02.2007)
	Hari Kripa	2,000	CFA	Expected (31.01.2007)
Tuticorin	Global Eros	5,200	Palm oil	Expected (04.02.2007)
	Spring Wind	4.100	Palm oil	Arrived (30/01/2007)

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