

VEGOIL DAILY

February 06th, 2007

REFINED SOY OIL

SPOT MARKET:

Today, spot prices of refined soy oil remained mixed on lack of bullish sentiments for demand. Demand for soymeal remained steady domestically and at ports to stay in competition with rising corn demand had underlying bullish impact. Low parity for soy oil aided strong bearishness domestically. Low preference for soy oil against other substituted oil likely groundnut oil and cotton oil kept bears up in Rajkot market while in Mumbai soy oil price improved on tracking BMD. Whereas crude soy oil CIF prices remained unchanged to yesterday and quoted at \$685/tonne for February shipment on Monday.

FUTURES MARKET:

The most active March contract of refined soy oil futures at NCDEX settled down. Contract opened at Rs 467.6/10kg up Rs. 2.2 to yesterday closing level. The soy oil futures declined on lack of fresh fundamental news and short covering and March contract witnessed speculative selling on NCDEX. Market finished at Rs 2.3 down at Rs. 463.1/10kg to previous closing at Rs. 465.4/10kg.

PRICE DRIVERS:

1. Bullish BMD
2. Steady to bearish sentiment for demand
3. Unchanged crude soy oil CIF prices
4. Supportive weather conditions for beans arrivals

Weather

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

TECHNICALS

Refined soy oil chart is showing strong bearishness. The prices closed between 9-days but 18-days EMA, indicated subdued sentiments. MACD progressed deeper in the negative territory and likely to mark bullish crossover. Stochastics made bullish crossover in the neutral region and headed upward. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	457	460	463.1	470	473

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Sell Below 465; T1 463 near then 462 and put stop loss at 467.

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

Centres	05.02.07	03.02.07	Change
Mumbai (Soy Ref oil)+VAT	446	443	+3
Indore (Soy Ref oil)+VAT	429	430	-1
Kota (Soy Ref. Oil)+VAT	436	436	0
Hyderabad (Soy Ref)+VAT	NA	NA	-
Rajkot (Soy Ref)+Tax	450	453	-3

PALM OIL

International Highlights

Crude Palm oil Futures Upsurge at BMD

Friday firmness at CBOT and rallies in crude oil futures forced crude palm oil futures to settled high across the board at Bursa Malaysian Derivatives on Monday despite lack of strong news for demand/supply and most active April contract ended MYR35 up at MYR1,952/ton just above to psychological barrier of MYR 1,950/tonne.

Domestic Spot Market Highlights

Palm oil spot prices remained range bound across domestic market on steady demand to supply and unchanged crude soy oil CIF prices, which quoted at \$ 595/tonne for February shipment on Saturday. Improved crude palm oil BMD futures had some bullish reflection on Kandla and Mumbai. Traders are keeping close eye on the development in overseas and domestic market and expecting bullish sentiments in coming days.

BMD: CPO Futures (05.02.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1920	1946	1957	1943	1956	+36	392
Mar.07	1922	1955	1961	1947	1953	+31	2428
Apr.07	1917	1955	1963	1941	1952	+35	8023
May.07	1913	1952	1956	1937	1953	+40	2783
Jun.07	1900	1939	1950	1935	1950	+50	160

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	05.02.07	03.02.07	Change
Kandla CPO (5 % FFA)	404	402	+2
Kandla RBD Palmolein +VAT	420	418	+2
Mumbai RBD Palmolein +VAT	442	444	-2
Chennai RBD Palmolein +VAT	444	440	+4
Kakinada RBD Palmolein +VAT	NA	NA	-
Hyderabad RBD Palmolein +VAT	NA	NA	-
Delhi RDB Palmolein	455	450	+5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	05.02.07	03.02.07	Change
Crude Soy Oil	685	685	0
Crude Palm Oil	595	595	0
Sunflower Oil	678	678	0

Rape/Mustard oil

Unchanged mustard seeds prices by Nafed and steady demand in most of centres supported range bound prices of mustard oil. Report of harvesting in few parts of Rajasthan had underlying bearish impact. Its prices likely to trade steady to bearish in near term on ongoing harvesting in part of Rajasthan.

Refined Groundnut Oil

Stockists had piled up enough stock of groundnut oil in Rajkot market that reduced further oil demand had underlying bearish impact. Low crushing in few centres supported the firmness in Gnut oil. In Rajkot market shelled groundnut quoted unchanged at Rs. 470/20kg [bag] with steady arrivals of 20,000-25,000 bags. Its prices likely to trade on bullish tone in coming days on depleting quality seeds stocks of groundnut.

Refined Sunflower Oil

Improved Gnut oil prices had spill over effect on sunflower oil market in Mumbai while improved demand in Chennai supported its prices. Unchanged CIF prices supported the steadiness in the market and quoted at \$ 678/tonne for February shipment on Monday.

Refined Cotton Oil

The long-term release of cotton seeds are expecting this year from stockists and farmers on ideas of bumper harvest of cotton crop in 2006 against a year ago had underlying bearish impact domestically. Sluggish demand for refined confirmed bearish sentiments. Traders are expecting cotton oil prices likely to move accordingly with other vegetable oil in day to come.

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

Centres	05.02.07	03.02.07	Change
Mumbai (Exp. Oil) +VAT	450	450	0
Kota (Expeller Oil)+VAT	414	414	0
Jaipur (Expeller Oil)+VAT	417	417	0
Delhi (Expeller Oil)	450	440	+10
Neewai (Expeller Oil) +VAT	414	414	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	05.02.07	03.02.07	Change
Mumbai +VAT	645	640	+5
Rajkot +VAT	625	630	-5
Andhra Region +VAT	NA	NA	-
Chennai +VAT	650	640	+10
Delhi	660	645	+15

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

Centres	05.02.07	03.02.07	Change
Mumbai +VAT	580	570	+10
Chennai +VAT	590	590	0
Hyderabad +VAT	NA	NA	-

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

Centres	05.02.07	03.02.07	Change
Mumbai +VAT	448	445	+3
Hyderabad +VAT	NA	NA	-
Rajkot + VAT	435	438	-3
Delhi	430	430	0

Forex Rates

(As on 05.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.11
European Union	Euro	57.04
Japan	100 Yen	36.52
United Kingdom	Pound Sterling	86.58

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Star Dream	6,000	Palm oil	Arrived (01.02.2007)
Kandla	Samho Cygnus	6,374	Palm oil	Arrived (01.02.2007)
	Hari Kripa	2,000	CFA	Arrived (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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