

## VEGOIL DAILY

February 02<sup>nd</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

There is no significant change for refined soy oil has been noticed to yesterday and market remained in bullish tone. Uniformly improved refined groundnut oil prices had spill over impact and supported soy oil prices domestically. As the current beans prices are not lucrative, farmers hold back their stock had underlying bullish impact despite weak overnight CBOT. Crude soy oil CIF prices declined and quoted at \$674/tonne against yesterday prices of \$680/tonne for February shipment on Thursday.

#### FUTURES MARKET:

The most active February contract of soy oil futures at NCDEX finished down, contract opened at Rs 453.5/10kg down Rs. 0.15 to yesterday closing level. The soy oil futures declined on lack of guiding force (BMD) and devoid of fresh fundement news led to speculative selling during trade day on NCDEX soy oil February contract. Market finished at Rs 1.55 down at Rs. 452.1/10kg to previous closing at Rs. 453.65/10kg.

#### PRICE DRIVERS:

1. Bearish CBOT
2. Steady to bullish sentiments for demand
3. Declined crude soy oil CIF prices
4. Anticipation for bullish USDA exports sale figures

#### 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 below 9-days but 18-days EMA, indicated subdued sentiments. MACD progressed deeper in the negative territory, exhibiting bearish trends. Stochastics made bearish crossover in the oversold region and headed upward. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

| Contract   | S2  | S1  | PCP   | R1  | R2  |
|------------|-----|-----|-------|-----|-----|
| NCDEX-Feb. | 447 | 449 | 452.1 | 460 | 463 |

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:

**Sell Below 453; T1 near 451 then 450 and put stop loss at 455.**

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

| Centres                  | 01.02.07 | 31.01.07 | Change |
|--------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 445      | 445      | 0      |
| Indore (Soy Ref oil)+VAT | 427      | 427      | 0      |
| Kota (Soy Ref. Oil)+VAT  | 433      | 433      | 0      |
| Hyderabad (Soy Ref)+VAT  | 452      | 450      | +2     |
| Rajkot (Soy Ref)+Tax     | 452      | 450      | +2     |

## PALM OIL

### International Highlights

Crude Palm oil Futures at BMD Remained Closed on Thursday.

### Domestic Spot Market Highlights

Domestic palm oil prices remained in bearish mood on lack of fresh fundamental news and poor demand. Palm oil is less preferred oil to other edible oil in winter season supported bearish sentiments in domestic market despite hike in crude palm oil CIF prices which quoted at \$580/tonne against yesterday rates of \$575/tonne for February shipment on Thursday.

| BMD: CPO Futures (31.01.2007) |          |      |      |      |       | (Ringgit/ton) |        |
|-------------------------------|----------|------|------|------|-------|---------------|--------|
| Months                        | Previous | Open | High | Low  | Close | Change        | Volume |
|                               | 1892     | 1908 | 1908 | 1890 | 1901  | +9            | 443    |
| Mar.07                        | 1880     | 1893 | 1905 | 1880 | 1905  | +25           | 1891   |
| Apr.07                        | 1865     | 1880 | 1900 | 1870 | 1900  | +35           | 6564   |
| May.07                        | 1853     | 1863 | 1905 | 1863 | 1905  | +52           | 2525   |
| Jun.07                        | 1849     | 1864 | 1880 | 1862 | 1880  | +31           | 285    |

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres                      | 01.02.07 | 31.01.07 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA)         | 396      | 396      | 0      |
| Kandla RBD Palmolein +VAT    | 418      | 420      | -2     |
| Mumbai RBD Palmolein +VAT    | 440      | 440      | 0      |
| Chennai RBD Palmolein +VAT   | 435      | 435      | 0      |
| Kakinada RBD Palmolein +VAT  | 422      | 423      | -1     |
| Hyderabad RBD Palmolein +VAT | 448      | 450      | -2     |
| Delhi RDB Palmolein          | 450      | 450      | 0      |

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

| Edible Oil     | 01.02.07 | 31.01.07 | Change |
|----------------|----------|----------|--------|
| Crude Soy Oil  | 674      | 680      | -6     |
| Crude Palm Oil | 580      | 575      | +5     |
| Sunflower Oil  | 678      | 686      | -10    |

### Rape/Mustard oil

Spot prices for mustard oil stood range bound across domestic market amidst steady demand/supply. Nafed further improved mustard seeds prices and new rates stood at Rs. 1735/qrtl for Jaipur region as against previous rates of Rs. 1730/qrtl whereas it remained at Rs. 1685/qrtl against previous Rs. 1680/qrtl for rest of regions. Trades are expecting its prices to trade range bound on lack of fresh news.

### Refined Groundnut Oil

Refined groundnut oil price improved further domestically on continuous good buying from stockists and resellers to get good premium in off-season with steady release from solvent processor ends. In Rajkot shelled groundnut stood unchanged and quoted at Rs. 470/20kg on Thursday. Its price likely to trades on bullish side on continuation of good from stockists.

### Refined Sunflower Oil

As groundnut oil is main attention these days, low attention for refined sunflower oil resulting bearish advice in few centres. Sunflower oil CIF dropped sharply and quoted at \$678/tonne against yesterday prices of \$686/tonne for February shipment on Thursday. Traders are expecting its prices likely to trade steady to bearish on good seeds arrivals ahead.

### Refined Cotton Oil

The spill over impact of groundnut oil resulting bullish advices for refined cotton oil in the domestic markets. Cotton oil demand remained range bound on steady demand/supply. Cotton oil prices likely to trade steady to bullish on tracking groundnut oil.

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

| Centres                    | 01.02.07 | 31.1.07 | Change |
|----------------------------|----------|---------|--------|
| Mumbai (Exp. Oil) +VAT     | 450      | 450     | 0      |
| Kota (Expeller Oil)+VAT    | 410      | 410     | 0      |
| Jaipur (Expeller Oil)+VAT  | 413      | 413     | 0      |
| Delhi (Expeller Oil)       | 440      | 440     | 0      |
| Neewai (Expeller Oil) +VAT | 411      | 410     | +1     |

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

| Centres            | 01.02.07 | 31.01.07 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT        | 630      | 615      | +15    |
| Rajkot +VAT        | 630      | 625      | +5     |
| Andhra Region +VAT | 675      | 670      | +5     |
| Chennai +VAT       | 635      | 630      | +5     |
| Delhi              | 650      | 640      | +10    |

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

| Centres        | 01.02.07 | 31.01.07 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 568      | 570      | -2     |
| Chennai +VAT   | 585      | 585      | 0      |
| Hyderabad +VAT | 575      | 580      | -5     |

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

| Centres        | 01.02.07 | 31.01.07 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 446      | 444      | +2     |
| Hyderabad +VAT | 442      | 445      | -2     |
| Rajkot + VAT   | 440      | 440      | 0      |
| Delhi          | 430      | 430      | 0      |

### Forex Rates

(As on 02.02.2007)

| Country/ Continent | Currency       | Value in Rupees |
|--------------------|----------------|-----------------|
| USA                | Dollar         | 44.17           |
| European Union     | Euro           | 57.25           |
| Japan              | 100 Yen        | 36.41           |
| United Kingdom     | Pound Sterling | 86.66           |

**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)  |

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.