

VEGOIL DAILY

February 19th, 2007

REFINED SOY OIL

SPOT MARKET:

Lower than expected figures for soy oil and soybeans USDA week exports sales coupled with sluggish demand had strong bearish impact on domestic markets and spot prices for refined soy oil remained weak. Hyderabad market remained closed on extended holiday mood. Soymeal's sentiments improved domestically and at ports. Overall soybeans arrivals declined on weekend trading. Farmers reported less interested in selling for soybeans at current prices. Crude soy oil CIF rates increased further and quoted at \$672/tonne against previous \$669/tonne for March shipment on Saturday. Refined soy oil prices likely trades bearish on pressure from new mustard seeds arrivals and upcoming holidays at BMD.

FUTURES MARKET:

Today, most active March contracts of refined soy oil futures settled down at NCDEX. March contract opened at Rs 448.6/10kg down Rs. 0.15 to previous closing level. Refined soy oil March futures contract remained weak on lack of long-term demand and bearish USDA weekly exports sales despite firm overnight CBOT and March contract witnessed speculative selling. Market finished Rs. 0.5 down at Rs. 447.25/10kg to previous closing at Rs. 447.75/10kg.

PRICE DRIVERS:

1. Bearish USDA weekly exports sales figures for soybeans and soy oil
2. Improved crude soy oil CIF prices
3. Sluggish demand domestically
4. Bullish overnight CBOT
5. Firm sentiments for soymeal at ports

Weather

Mainly clear weather likely over major growing regions would facilitate beans arrivals in coming days.

TECHNICALS

Refined soy oil chart is showing bearish trends. The prices closed below 9-days and 18-days EMA, indicated underlying bearishness. MACD progressed deeper into the negative territory. Stochastics moved steady in the neutral region. Volume declined significantly while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	444	446	447.25	456	459

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Sell Below 449; T1 near 447 then 446 and put stop loss at 451.

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

Centres	17.02.07	16.02.07	Change
Mumbai (Soy Ref oil)+VAT	433	433	0
Indore (Soy Ref oil)+VAT	421	422	-1
Kota (Soy Ref. Oil)+VAT	NA	428	-
Hyderabad (Soy Ref)+VAT	MC	MC	
Rajkot (Soy Ref)+Tax	434	434	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Palm oil spot prices remained range bound across domestic markets on steady demand to supply and lack of fresh fundamental news. Many vessels are expecting at ports to fuel more palm oil. Cheap and easy availability of refined cotton oil domestically had underlying bearish impact on palm oil. Traders are keeping close eye on the development in overseas and domestic market and expecting bullish sentiments in coming days.

BMD: CPO Futures (16.02.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1931	1933	1944	1933	1942	+11	182
Apr.07	1928	1928	1943	1925	1942	+14	1417
May.07	1923	1924	1942	1920	1941	+18	2414
Jun.07	1921	1923	1940	1922	1940	+19	583
Jul.07	1920	1925	1937	1925	1937	+17	25

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price (Rs. Per 10 kg)

Centres	17.02.07	16.02.07	Change
Kandla CPO (5 % FFA)	397	397	0
Kandla RBD Palmolein +VAT	414	414	0
Mumbai RBD Palmolein +VAT	432	NA	-
Chennai RBD Palmolein +VAT	437	437	0
Kakinada RBD Palmolein +VAT	MC	MC	-
Hyderabad RBD Palmolein +VAT	MC	MC	-
Delhi RDB Palmolein	450	MC	-

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	17.02.07	16.02.07	Change
Crude Soy Oil	672	669	+3
Crude Palm Oil	NA	595	-
Sunflower Oil	681	680	+1

Rape/Mustard oil

Mustard oil prices improved in most of markets. Overall mustard seeds improved in Rajasthan region. Slight shortage in Mumbai supported mustard oil price improvement. Resellers remained active in fresh buying. Forecast of mainly clear weather in coming days would support mustard seeds arrivals with spill over impact on mustard oil in coming days.

Groundnut Oil

Refined groundnut oil prices remained range bound across most of the markets on balance in demand and supply. Resellers showed poor interest in fresh buying for groundnut oil. It prices likely trade range bound on underlying current steady sentiments for demand.

Refined Sunflower Oil

Steady demand and seeds arrivals coupled with increased sunflower oil CIF prices kept spot prices of refined sunflower oil range bound in the physical market. The CIF prices quoted at \$681/tonne against yesterday's price of \$680 for March shipment on Saturday. Traders are expecting its prices likely to move according to other vegetable oils in near-term.

Refined Cotton Oil

Mixed demand for refined cotton oil had mirrored similar sentiments in the spot market. In Hyderabad, market remained closed on extended holiday for Maha Shivratri. Overall arrivals declined. Its prices likely to trade steady to bearish on lack of bullish sentiments for demand ahead as well as underlying weakness in other edible oils.

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

Centres	17.02.07	16.02.07	Change
Mumbai (Exp. Oil) +VAT	433	430	+3
Kota (Expeller Oil)+VAT	410	NA	-
Jaipur (Expeller Oil)+VAT	416	415	+1
Delhi (Expeller Oil)	452	MC	-
Neewai (Expeller Oil) +VAT	412	416	-4

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	17.02.07	16.02.07	Change
Mumbai +VAT	605	605	-
Rajkot +VAT	635	635	-
Andhra Region +VAT	MC	MC	-
Chennai +VAT	660	660	0
Delhi	650	MC	-

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

Centres	17.02.07	16.02.07	Change
Mumbai +VAT	552	552	-
Chennai +VAT	572	572	0
Hyderabad +VAT	MC	MC	-

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

Centres	17.02.07	16.02.07	Change
Mumbai +VAT	438	435	+3
Hyderabad +VAT	MC	MC	-
Rajkot + VAT	427	427	0
Delhi	427	MC	-

Forex Rates

(As on 17.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.03
European Union	Euro	57.84
Japan	100 Yen	36.87
United Kingdom	Pound Sterling	85.86

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Mercure	14,500	Soy oil	Arrived (14.02.2007)
	Star Dust	5,256	CPO	Arrived (15.02.2007)
	Vernal Grace	3,700	CPO	Arrived (16.02.2007)
	Spring Glory	4,100	CPO	Arrived (09.02.2007)
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (05.03.2007)

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