

VEGOIL DAILY

February 05th, 2007

REFINED SOY OIL

SPOT MARKET:

Today, trade activities remained weak as compared to other week day in the domestic markets. News of Government is planning to impose excise duty on refined soy oil had underlying bullish impact. In Delhi, resumption of sealing activities discouraged market movement while in Mumbai soy oil traded range bound on steady demand and supply. Firm overnight CBOT and sharp increased CIF prices aids bullish tone domestically. Crude soy oil CIF rates quoted at yesterday prices of \$685/tonne against previous \$674/tonne for February shipment on Saturday.

FUTURES MARKET:

The most active March contract of soy oil futures at NCDEX finished up. Contract opened at Rs 464.4/10kg up Rs. 0.8 to yesterday closing level. Follow through rallies and bullish advice from overnight CBOT supported speculative buying on during trade day on NCDEX soy oil March contract. Market finished at Rs 1.8 high at Rs. 465.4/10kg to previous closing at Rs. 463.6/10kg.

PRICE DRIVERS:

1. Bullish CBOT
2. Government is planning to impose excise duty on refined soy oil
3. Steady sentiments for demand
4. Sharp increased crude soy oil CIF prices

Weather

Mainly clear weather in most of soybeans growing areas (except West Rajasthan) would facilitate arrivals.

TECHNICALS

Refined soy oil chart is showing bullishness. The prices closed between 9-days but 18-days EMA, indicated underlying firmness. MACD headed upward to mark bullish crossover into negative territory showing developing bearish trends. Stochastics headed upward trends too from oversold region. Volume declined while open interest increased.

Soy Oil Refined 0703(NCRSOH7)2007/02/03 - Daily B:465.20 A:465.40
O 464.4C H 468.10 L 464.40 C 465.40 V 22,730 I 44,370 +1.8



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb.	457	460	465.2	470	473

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil February Contract:

Sell Below 466; T1 near 464 then 463 and put stop loss at 468.

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

Centres	03.02.07	02.02.07	Change
Mumbai (Soy Ref oil)+VAT	443	443	0
Indore (Soy Ref oil)+VAT	430	425	+5
Kota (Soy Ref. Oil)+VAT	436	434	+2
Hyderabad (Soy Ref)+VAT	NA	450	-
Rajkot (Soy Ref)+Tax	453	452	+1

PALM OIL

International Highlights

Crude Palm oil Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

There is no significant change noted to spot prices of palm oil and it almost traded range bound amidst steady demand/supply and lack of fresh fundamental news. There is ample stock of palm oil in the market supported the bearish sentiments. Crude palm oil CIF prices improved significantly and quoted at \$595/tonne as compared to yesterday's \$580/tonne for February shipment on Saturday had bullish impact at port rates.

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	03.02.07	02.02.07	Change
Kandla CPO (5 % FFA)	402	397	+5
Kandla RBD Palmolein +VAT	418	418	0
Mumbai RBD Palmolein +VAT	444	444	0
Chennai RBD Palmolein +VAT	440	437	+3
Kakinada RBD Palmolein +VAT	NA	423	-
Hyderabad RBD Palmolein +VAT	NA	450	-
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	03.02.07	02.02.07	Change
Crude Soy Oil	685	674	+11
Crude Palm Oil	595	580	+15
Sunflower Oil	678	678	0

Rape/Mustard oil

Spot prices of mustard oil improved in few centers on improved demand. Nafed improved mustard seeds selling prices and new rates quoted at Rs.1760/qrt for Jaipur region against previous rates of Rs. 1745/qrt whereas it remained at Rs. 1710/qrt against previous Rs. 1695/qrt for rest of regions. Currently Nafed had stock position about 8.5 to 9 lakh tonne. Its prices likely to trade steady to bullish anticipating expectation of delay harvesting.

Refined Groundnut Oil

Spot prices of refined groundnut oil traded in steady tone on steady demand. Low release from processor ends against market need had underlying bullish impact. In Rajkot market, shelled groundnut remained unchanged and quoted at Rs. 470/20kg [bag] with weak arrivals of 20,000-25,000 bags against previous 25-30,000 bags. Its prices likely to increase further on underlying bullish sentiments for demand.

Refined Sunflower Oil

Improved demand for refined sunflower oil had bullish impact domestically even seeds arrivals remained steady. The sunflower oil CIF rates remained unchanged and quoted at yesterday's prices at \$ 678/tonne for February shipment on Saturday.

Refined Cotton Oil

Spot prices of refined cotton oil prices remained range bound amidst steady demand/supply and steady to bullish sentiments in other vegetable oils. Cottonseed arrivals remain steady concluded steadiness in the market. Traders are expecting its prices likely to move in tandem with other vegetable oil in near term.

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

Centres	03.02.07	02.02.07	Change
Mumbai (Exp. Oil) +VAT	450	450	0
Kota (Expeller Oil)+VAT	414	411	+3
Jaipur (Expeller Oil)+VAT	417	414	+3
Delhi (Expeller Oil)	440	440	0
Neewai (Expeller Oil) +VAT	414	411	+3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	03.02.07	02.02.07	Change
Mumbai +VAT	640	630	+10
Rajkot +VAT	630	630	0
Andhra Region +VAT	NA	675	-
Chennai +VAT	640	635	+5
Delhi	465	645	0

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

Centres	03.02.07	02.02.07	Change
Mumbai +VAT	570	568	+2
Chennai +VAT	590	585	+5
Hyderabad +VAT	NA	580	-

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

Centres	03.02.07	02.02.07	Change
Mumbai +VAT	445	445	0
Hyderabad +VAT	NA	442	-
Rajkot + VAT	438	435	+3
Delhi	430	430	0

Forex Rates

(As on 03.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.11
European Union	Euro	57.17
Japan	100 Yen	36.04
United Kingdom	Pound Sterling	86.71

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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