

## VEGOIL DAILY

February 07<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Weak BMD and declined crude soy oil CIF prices coupled with mixed overnight CBOT had similar reflection in domestic market. Demand for refined soy oil remained sluggish. Soybeans arrivals stood steady but less aggressive buying supported bearishness. The steady release of soy oil was reported from processor end confirmed steadiness in few centres. Crude soy oil CIF prices quoted at \$685/tonne against yesterday's \$685/tonne for February shipment on Tuesday. Traders are expecting soy oil prices likely to trade on bearish side in coming days on current steady status for crushing.

#### FUTURES MARKET:

The most active march contract of soy oil futures at NCDEX settled down, contract opened at Rs 462.8/10kg down Rs. 0.3 to yesterday closing level. The soy oil futures declined on tracking BMD and in lack of long term demand and contract witnessed speculative selling during trade day on NCDEX soy oil March contract. Market finished at Rs 3.65 down at Rs. 459.45/10kg to previous closing at Rs. 463.1/10kg.

#### PRICE DRIVERS:

1. Bearish BMD and mixed CBOT
2. Declined crude soy oil CIF prices
3. Sluggish domestic demand
4. Steady beans arrivals

#### Weather

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

#### TECHNICALS

The long filled body candlestick indicated sellers remains dominant in the market. Stochastic headed upward in neutral region. The prices come below 9 days EMA and 18 days EMA indicating bearish sentiments in market. MACD is running down deep into negative territory. Volume declined but open interest increased.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	455	458	459.45	466	468

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

**Sell Below 462; T1 near 460 then 459 and put stop loss at 464.**

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

Centres	06.02.07	05.02.07	Change
Mumbai (Soy Ref oil)+VAT	446	446	0
Indore (Soy Ref oil)+VAT	428	429	-1
Kota (Soy Ref. Oil)+VAT	436	436	0
Hyderabad (Soy Ref)+VAT	450	NA	-
Rajkot (Soy Ref)+Tax	450	450	0

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Settle Down

Crude palm oil future finished weak across the board at Bursa Malaysia Derivatives amidst lack of bullish sentiments for long-term demand and short covering from recent rallies. The most active April contract of crude palm oil futures finished MYR35 down at MYR1,917/tonne below psychological barrier of MYR 1,950/tonne. During the trade-session market ignored the increased stocks of palm oil towards the end of January month amidst low demand.

#### Domestic Spot Market Highlights

Abrupt change in crude palm oil CIF prices, weak BMD and sluggish demand kept palm oil prices range bound across domestic market. Due to ample stock of vanaspati ghee in market, demand for palm oil remained subdued from vanaspati makers. The crude soy oil CIF prices quoted at \$ 585/tonne against previous \$595/tonne for February shipment on Tuesday. Traders are expecting palm oil to trade steady in coming days on current sluggish demand and lack of fresh news for demand and supply.

BMD: CPO Futures (06.02.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1951	1933	1940	1926	1926	-25	73
Mar.07	1953	1963	1965	1913	1913	-40	1393
Apr.07	1952	1960	1962	1909	1917	-35	6174
May.07	1953	1960	1960	1906	1913	-40	1936
Jun.07	1941	1936	1936	1910	1910	-31	178

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	06.02.07	05.02.07	Change
Kandla CPO (5 % FFA)	403	404	-1
Kandla RBD Palmolein +VAT	420	420	0
Mumbai RBD Palmolein +VAT	442	442	0
Chennai RBD Palmolein +VAT	442	442	0
Kakinada RBD Palmolein +VAT	422	NA	-
Hyderabad RBD Palmolein +VAT	450	NA	-
Delhi RDB Palmolein	455	455	0

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

Edible Oil	06.02.07	05.02.07	Change
Crude Soy Oil	682	685	-3
Crude Palm Oil	585	595	-10
Sunflower Oil	680	678	+2

### Rape/Mustard oil

Start of harvest of mustard in Kota division had bearish impact. Nafed kept mustard seeds prices unchanged on second consecutive day. Mustard oil prices remained range bound on steady demand and supply. Its price likely to trade bearish in coming days on harvests progression in parts of Rajasthan.

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

Centres	06.02.07	05.02.07	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	450	0
Neewai (Expeller Oil) +VAT	412	414	-2

### Refined Groundnut Oil

Steadiness in other vegetable oil and low interest of stockists to piled up their inventories kept refined groundnut oil range bound across major market. In Rajkot market shelled groundnut quoted unchanged at Rs. 470/20kg [bag] with steady arrivals of 20,000-25,000 bags. It prices likely to trade steady to bullish tone in coming days on depleting quality seeds stocks of groundnut.

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

Centres	06.02.07	05.02.07	Change
Mumbai +VAT	645	645	0
Rajkot +VAT	622	625	-3
Andhra Region +VAT	675	NA	-
Chennai +VAT	650	650	0
Delhi	660	660	0

### Refined Sunflower Oil

Despite increased CIF prices, sunflower oil trades on softer side amidst improved arrivals but steady demand. Steadiness in other vegetable oil also supported the range bound prices. Sunflower oil CIF prices quoted at \$680/tonne against yesterday's \$678/tonne for February shipment on Monday.

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

Centres	06.02.07	05.02.07	Change
Mumbai +VAT	580	580	0
Chennai +VAT	585	590	-5
Hyderabad +VAT	580	NA	-

### Refined Cotton Oil

Mixed demand for refined cotton oil had mirrored similar sentiments in the spot market. Cottonseeds arrivals remained steady. In Hyderabad market, improvement in demand had bullish impact. Traders are expecting its prices likely to move according to groundnut oil as both are arrivals crop and shared same market

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

Centres	06.02.07	05.02.07	Change
Mumbai +VAT	445	448	-3
Hyderabad +VAT	442	NA	-
Rajkot + VAT	435	435	0
Delhi	430	430	0

### Forex Rates

(As on 06.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.13
European Union	Euro	56.99
Japan	100 Yen	36.65
United Kingdom	Pound Sterling	86.46

**PORT-WATCH (Latest):**  
**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Madura	7,500	CPO	Arrived (03/02/2007)
	Shima Kaze	9,293	CPO	Expected (06/02/2007)

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