

VEGOIL DAILY

February 13th, 2007

REFINED SOY OIL

SPOT MARKET:

Today spot prices of refined soy oil remained mixed across domestic market on lack of fresh news and sluggish demand. Poor demand in Hyderabad kept soy oil prices low while mustard depressed Indore market. Soybeans arrivals improved in Madhya Pradesh. BMD crude palm oil futures had bearish reflection too. Crude soy oil prices remained unchanged and quoted at \$667/tonne for February shipment on Monday. Technical correction might support bullish sentiment ahead at BMD and domestic market would track similar sentiments.

FUTURES MARKET:

The most active march contracts of refined soy oil futures at NCDEX settled weak. March contract opened at Rs 448.5/10kg down Rs. 0.7 to yesterday closing level. Soy oil futures March contract traced the bearishness at BMD with follow-through weak sentiments led the foundation for speculative selling on March contract and market finished Rs. 2.95 down at Rs. 446.25/10kg to previous closing at Rs. 449.2/10kg.

PRICE DRIVERS:

1. Unchanged crude soy oil CIF prices
2. Improved soybeans arrivals
3. Sluggish domestic demand
4. Weak BMD

Weather

Isolated rainfall in many growing areas (except Rajasthan) would affect soybeans arrivals.

TECHNICALS

Refined soy oil chart is showing strong bearishness. The prices closed below 9-days but 18-days EMA, indicated weak sentiments. MACD progressed deeper in the negative territory. Stochastic came closer to market bullish crossover in the oversold region. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	440	438	446.25	452	455

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Sell Near 445; T1 442 then 441 and put stop loss at 447.

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

Centres	12.02.07	10.02.07	Change
Mumbai (Soy Ref oil)+VAT	443	442	+1
Indore (Soy Ref oil)+VAT	419	421	-2
Kota (Soy Ref. Oil)+VAT	426	425	+1
Hyderabad (Soy Ref)+VAT	448	450	-2
Rajkot (Soy Ref)+Tax	450	NA	-

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remains Weak

The most active April contract of crude palm oil futures stood weak at Bursa Malaysia Derivatives on Monday amidst lack of fresh news for long-term demand and spill over impact of Friday's CBOT soy oil weakness. April contract closed MYR27 down at MYR1,890/tonne. During trade day SGS released exports sales estimation for February 1-10, which rose by 15% at 382,170 metric tons against 332,368 metric tons during January 1-10. Also, Malaysia Palm oil Board (MPOB) released exports sales for January month increased by 21.8% at 952,253 metric tons against 1,217,341 metric tons in December month.

Domestic Spot Market Highlights

Palm oil prices traded in bearish tone domestically. According to SGS recent exports sales estimation for palm oil highlighted exports to India stood at 18,000 metric tonne during February 1-10 as compared to nil exports during same period in January month. Weakness in other edible oil had bearish impact too. Traders are keeping close eye on the development in overseas and domestic market and expecting bullish sentiments in coming days.

BMD: CPO Futures (12.02.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1922	1910	1913	1909	1910	-12	91
Mar.07	1920	1910	1918	1891	1895	-25	1721
Apr.07	1917	1915	1918	1889	1890	-27	7714
May.07	1918	1914	1914	1890	1890	-28	1508
Jun.07	1912	1891	1891	1890	1890	-22	30

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.02.07	10.02.07	Change
Kandla CPO (5 % FFA)	396	397	-1
Kandla RBD Palmolein +VAT	415	415	0
Mumbai RBD Palmolein +VAT	438	440	-3
Chennai RBD Palmolein +VAT	438	442	-4
Kakinada RBD Palmolein +VAT	422	420	+2
Hyderabad RBD Palmolein +VAT	443	445	-2
Delhi RDB Palmolein	455	455	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	12.02.07	10.02.07	Change
Crude Soy Oil	667	667	0
Crude Palm Oil	NA	NA	-
Sunflower Oil	685	685	0

Rape/Mustard oil

Rainfall in major growing region had bullish impact on mustard oil. Nafed did not sell mustard seeds. Resellers remained active. Mustard seeds arrivals declined in Jaipur region. Forecast of extended rainfall in coming days would support market to recover further.

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

Centres	12.02.07	10.02.07	Change
Mumbai (Exp. Oil) +VAT	435	433	+2
Kota (Expeller Oil)+VAT	407	405	+2
Jaipur (Expeller Oil)+VAT	410	408	+2
Delhi (Expeller Oil)	440	440	0
Neewai (Expeller Oil) +VAT	408	407	+1

Groundnut Oil

Spot prices of groundnut oil stood range bound on steady demand/supply and lack of fresh news. Crushing remained steady. Stockists maintained their regular offtake to get better premium in off-season. Traders are expecting steady to bullish sentiments in coming days amidst steady crushing these days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.02.07	10.02.07	Change
Mumbai +VAT	605	605	0
Rajkot +VAT	620	NA	-
Andhra Region +VAT	670	670	0
Chennai +VAT	640	640	0
Delhi	660	660	0

Refined Sunflower Oil

Good arrivals of sunflower seeds and poor demand witnessed weakness for refined sunflower oil. Sunflower oil CIF rates remained unchanged and quoted at CIF \$685/tonne for February shipment on Monday. Sunflower oil prices likely to fall further on current sluggish demand.

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

Centres	12.02.07	10.02.07	Change
Mumbai +VAT	565	575	-10
Chennai +VAT	580	587	-7
Hyderabad +VAT	570	575	-5

Refined Cotton Oil

Refined cotton oil remained subdued in the spot market amidst weakness in other edible oil and poor demand. Arrivals for cottonseeds increased had bearish impact. Weakness in other vegetable oil likely to have bearish impact on refined cotton oil in coming days.

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

Centres	12.02.07	10.02.07	Change
Mumbai +VAT	437	438	-1
Hyderabad +VAT	435	440	-5
Rajkot + VAT	424	NA	-
Delhi	425	425	0

Forex Rates

(As on 12.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.18
European Union	Euro	57.54
Japan	100 Yen	36.27
United Kingdom	Pound Sterling	86.36

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Shima Kaze	6,950	CPO	Arrived (09/02/2007)
	Marida Princess	5,000	CPO	Expected (10.02.2007)
	Mercure	14,500	Soy oil	Arrived (07.02.2007)
Chennai	Caroline 7	5,500	CPO	Berthed (09.02.2007)

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