

VEGOIL DAILY

February 12th, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil prices remained range bound domestically on steady demand/supply. Farmers and stockist hold back their stocks, as current prices are low. Sentiments for soymeal improved both at ports and domestically. Recent USDA's global oilseed demand and supply estimation highlighted global soybean production for 2006/07 is expected at 228.4 million tons rise by 1.6 million tons from last month estimation. Crude soy oil prices declined further at \$667/tonne against yesterday's prices \$670/tonne for February shipment on Saturday. Soy oil prices likely to trade steady to bearish further in coming days on underlying bullish sentiments for beans crushing ahead.

FUTURES MARKET:

The most active march contracts of refined soy oil futures at NCDEX finished down. March contract opened at Rs 454.2/10kg up Rs. 0.35 to yesterday closing level. Short-covering from recent rally on lack of long terms demand resulting speculative selling on March contract and market finished Rs 4.55 down at Rs. 449.3/10kg to previous closing at Rs. 453.85/10kg.

PRICE DRIVERS:

1. Bullish USDA global supply and demand
2. Mixed overnight CBOT
3. Declined crude soy oil CIF prices
4. Low soybeans arrivals
5. Sluggish domestic demand
6. Improved sentiments for meal demand

Weather

Isolated rainfall in many places in Rajasthan, Madhya Pradesh would affect soybeans arrivals.

TECHNICALS

Refined soy oil futures slipped sharply today extending the current weak trend. Charts are showing continued weakness in the market. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD is heading downwards in negative region, which indicate increase in bullish momentum. Stochastics however are also negative in neutral region. Volume declined while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	445	447	449.3	457	459

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Sell Below 451; T1 near 449 then 448 and put stop loss at 453.

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

Centres	10.02.07	09.02.07	Change
Mumbai (Soy Ref oil)+VAT	442	442	0
Indore (Soy Ref oil)+VAT	421	421	0
Kota (Soy Ref. Oil)+VAT	425	425	0
Hyderabad (Soy Ref)+VAT	450	450	0
Rajkot (Soy Ref)+Tax	NA	450	-

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remain closed on Saturday.

Domestic Spot Market Highlights

Spot prices of palm oil remained mixed in the domestic market on lack of fresh new fundament news and sluggish demand. In Kandla, palm prices improved on bullish USDA demand and supply estimation. Traders are keeping close eye on the development in overseas and domestic market and expecting bullish sentiments in coming days.

BMD: CPO Futures (09.02.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1902	1905	1915	1905	1915	+13	12
Mar.07	1895	1880	1921	1880	1921	+26	1355
Apr.07	1891	1889	1921	1887	1917	+26	2838
May.07	1888	1888	1918	1885	1918	+30	1273
Jun.07	1887	1920	1920	1920	1920	+33	10

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	10.02.07	09.02.07	Change
Kandla CPO (5 % FFA)	397	395	+2
Kandla RBD Palmolein +VAT	415	415	0
Mumbai RBD Palmolein +VAT	440	440	0
Chennai RBD Palmolein +VAT	442	442	0
Kakinada RBD Palmolein +VAT	420	424	-4
Hyderabad RBD Palmolein +VAT	445	446	-1
Delhi RDB Palmolein	455	455	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil		09.02.07	Change
Crude Soy Oil	667	670	-3
Crude Palm Oil	NA	585	-
Sunflower Oil	685	679	+5

Rape/Mustard oil

Isolated rainfall in part of Rajasthan and other market restricted further fall in mustard oil prices. Mustard seeds arrivals (oil and new) declined. Nafed kept mustard seeds prices unchanged for seed stocked during 2005-06. Forecast of extended rainfall in coming days would support market to recover.

Refined Groundnut Oil

There is no significant change noticed for groundnut oil as compare to yesterday across domestic market and its prices remained range bound on steady demand/supply. Traders are expecting little improvement in coming days amidst steady crushing these days.

Refined Sunflower Oil

Significantly improved sunflower oil CIF had bullish impact in Hyderabad market while rest of market witnessed range bound prices on steady demand/supply. Sunflower oil CIF prices quoted at \$685/tonne to yesterday's prices of \$679/tonne for February shipment on Saturday.

Refined Cotton Oil

Refined cotton oil respite from recent losses on poor interest of stockists and resellers for fresh buying. Cottonseeds arrivals remains steady reflect similar sentiment in Mumbai market. In coming days cotton oil likely to move according with groundnut oil.

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

Centres	10.02.07	09.02.07	Change
Mumbai (Exp. Oil) +VAT	433	433	0
Kota (Expeller Oil)+VAT	405	405	0
Jaipur (Expeller Oil)+VAT	408	408	0
Delhi (Expeller Oil)	440	440	0
Neewai (Expeller Oil) +VAT	407	406	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	10.02.07	09.02.07	Change
Mumbai +VAT	605	605	0
Rajkot +VAT	NA	605	-
Andhra Region +VAT	670	670	0
Chennai +VAT	640	640	0
Delhi	660	660	0

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

Centres	10.02.07	09.02.07	Change
Mumbai +VAT	575	575	0
Chennai +VAT	587	587	0
Hyderabad +VAT	575	570	+5

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

Centres	10.02.07	09.02.07	Change
Mumbai +VAT	438	438	0
Hyderabad +VAT	440	438	+2
Rajkot + VAT	NA	422	-
Delhi	425	425	0

Forex Rates

(As on 10.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.92
European Union	Euro	57.14
Japan	100 Yen	36.09
United Kingdom	Pound Sterling	85.70

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)

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.