

VEGOIL DAILY

February 17th, 2007

REFINED SOY OIL

SPOT MARKET:

Government decision to stay unchanged base prices of imported edible oil had bullish advice in domestic market. BMD and CBOT remain firm. Refined soy oil prices improved in few markets amidst improved demand. Delhi and Hyderabad market remained closed due to Maha Shivratri with slower trade activities in rest of market. Crude soy oil CIF rates increased and quoted at \$669/tonne against yesterday's \$666/tonne for March shipment on Friday. Refined soy oil prices likely to trade steady to bullish on underlying firmness in BMD and CBOT.

FUTURES MARKET:

Today, most active March contracts of refined soy oil futures settled down at NCDEX. March contract opened at Rs 451/10kg down Rs. 1.25 to previous closing level. Today market witnessed profit taking from recent rally and ignored bullishness at BMD and CBOT resulting March contract witnessed speculative selling. Market finished Rs. 4.75 down at Rs. 447.5/10kg to previous closing at Rs. 452.25/10kg.

PRICE DRIVERS:

1. Government kept unchanged base prices of imported oil
2. Improved crude soy oil CIF prices
3. Mixed demand domestically
4. Bullish BMD and CBOT
5. Firm sentiments for soy meal at ports

Weather

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

TECHNICALS

Refined soy oil futures slipped sharply today. Charts are showing weakness in the market. The prices closed near 9-days and 18-days EMA, which suggests downtrend is intact. MACD remained in negative region and generated bearish momentum. Stochastics headed upward and emerging out from oversold region. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	444	446	447.5	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	16.02.07	15.02.07	Change
Mumbai (Soy Ref oil)+VAT	433	433	0
Indore (Soy Ref oil)+VAT	422	419	+2
Kota (Soy Ref. Oil)+VAT	428	427	+1
Hyderabad (Soy Ref)+VAT	MC	450	-
Rajkot (Soy Ref)+Tax	434	434	0

PALM OIL

International Highlights

Crude Palm oil Futures Ends Up at BMD

Overnight firmed CBOT coupled with cheer for upcoming holidays had bullish advice across the board and crude palm oil futures finished high at Bursa Malaysian Derivatives on Friday and most active April contract settled MYR18 high at MYR1,941/tonne. Market still optimist for good export for remaining part of current month had underlying bullish impact.

Domestic Spot Market Highlights

Most of markets remained closed due to holiday while bullish BMD and improved CIF for crude palm oil had similar advice in few markets. Crude palm oil CIF prices quoted at \$595/tonne against yesterday's closing of \$590/tonne for March shipment on Friday. Recently heavy rain in Indonesia likely to affect palm oil production and would have spill over impact in Malaysia and domestic market 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	16.02.07	15.02.07	Change
Kandla CPO (5 % FFA)	397	395	+2
Kandla RBD Palmolein +VAT	414	414	0
Mumbai RBD Palmolein +VAT	NA	432	-
Chennai RBD Palmolein +VAT	437	435	+2
Kakinada RBD Palmolein +VAT	MC	420	-
Hyderabad RBD Palmolein +VAT	MC	438	-
Delhi RDB Palmolein	MC	450	-

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	16.02.07	15.02.07	Change
Crude Soy Oil	669	NA	-
Crude Palm Oil	595	590	+5
Sunflower Oil	680	NA	-

Rape/Mustard oil

Trades activities remained suspended domestically amidst sluggish demand. Mumbai market remained range round bound on steady demand/supply while arrivals pressure suppressed mustard oil prices in Rajasthan. In prevailing weather condition traders are expecting further improvement in mustard oil prices in approaching days.

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

Centres	16.02.07	15.02.07	Change
Mumbai (Exp. Oil) +VAT	430	430	0
Kota (Expeller Oil)+VAT	NA	411	-
Jaipur (Expeller Oil)+VAT	415	416	-1
Delhi (Expeller Oil)	MC	445	-
Neewai (Expeller Oil) +VAT	416	NA	-

Groundnut Oil

Groundnut oil prices stood in bullish tone across domestic market on low supply against market requirement. Reports of stockists' fresh buying had bullish advice in Rajkot market. Today in Rajkot market, nil arrivals of groundnut seeds arrivals reported due to Maha Shivratri. Groundnut oil prices likely to trade steady to bullish in coming days amidst stockists' interest to pile up their inventories.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	16.02.07	15.02.07	Change
Mumbai +VAT	605	610	-5
Rajkot +VAT	635	625	+10
Andhra Region +VAT	MC	670	-
Chennai +VAT	660	650	+10
Delhi	MC	650	-

Refined Sunflower Oil

Good demand supported sunflower oil prices in Mumbai market while range bound prices seen in Chennai market on steady demand/supply. Sunflower oil CIF prices remained unchanged and quoted at \$680/tonne for March shipment on Friday. According to trade sources sunflower oil prices likely to trade steady to weak ahead on current seeds arrivals pressure.

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

Centres	16.02.07	15.02.07	Change
Mumbai +VAT	552	550	+2
Chennai +VAT	572	572	0
Hyderabad +VAT	MC	570	-

Refined Cotton Oil

Refined cotton oil remained subdued in the spot markets amidst weakness in other edible oil and poor demand. Arrivals for cottonseeds declined had underlying bullish impact. Weakness in other vegetable oil and expecting prices to fall further had bearish impact on refined cotton oil in coming days.

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

Centres	16.02.07	15.02.07	Change
Mumbai +VAT	435	437	-2
Hyderabad +VAT	MC	440	-
Rajkot + VAT	427	426	+1
Delhi	MC	426	-

Forex Rates

(As on 16.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.09
European Union	Euro	57.92
Japan	100 Yen	36.71
United Kingdom	Pound Sterling	86.59

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	Expected (15.02.2007)
	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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