

VEGOIL DAILY

February 16th, 2007

REFINED SOY OIL

SPOT MARKET:

Today, refined soy oil traded mixed across domestic market amidst firm BMD and improved sentiments for demand. Cheap availability of palm oil and cotton oil depressed Rajkot and Mumbai market. Recently good rainfall had bullish impact in Rajasthan. Stockists were reported to engage in fresh buying. Crude soy oil CIF rates declined marginally and quoted at \$662/tonne against \$663/tonne for March shipment on Thursday. The recent heavy rainfall in Brazil would affect quality and yield of soybeans crop with reports of only 7% harvest up to Feb 13 would influence CBOT and domestic market ahead.

FUTURES MARKET:

Today, most active March contracts of refined soy oil futures at NCDEX finished up. March contract opened at Rs 447.1/10kg down Rs. 1 to previous closing level. Today, market recovered from recent losses on technical pressure and tracking BMD. In later session short covering supported bullish sentiments in the market and market witnessed speculative buying on March soy oil contract resulting market finished Rs. 4 high at Rs. 452.1/10kg to previous closing at Rs. 448.1/10kg.

PRICE DRIVERS:

1. Slightly weak crude soy oil CIF prices
2. Improved soybeans prices
3. Mixed demand domestically
4. Bullish BMD with weak CBOT
5. Improved meal sentiment at ports

Weather

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

TECHNICALS

Refined soy oil chart showing bullishness. The price touched 9-days but remained below 18-days EMA indicated firm sentiments. MACD generated bullish momentum in the negative territory. Stochastics made bullish crossover in the oversold region and progressed further. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	448	444	452.1	459	462

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Buy near 450; T1 452 then 453 and put stop loss at 448.

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

Centres	15.02.07	14.02.07	Change
Mumbai (Soy Ref oil)+VAT	433	435	-2
Indore (Soy Ref oil)+VAT	419	416	+3
Kota (Soy Ref. Oil)+VAT	427	425	+2
Hyderabad (Soy Ref)+VAT	450	450	0
Rajkot (Soy Ref)+Tax	434	440	-6

PALM OIL

International Highlights

Crude Palm oil Futures Ends Up at BMD

Today, BMD crude palm oil futures settled high across the board at Bursa Malaysian Derivatives amidst improved sentiments for palm oils' exports in remaining part of current month coupled with bullish technical indicators results most active April contract finished MYR21 high at MYR1,928/tonne. During the trade-session, SGS released exports sales estimation for the period of February 1-15 that increased by 8.6% at 512,632 metric tons as compared to corresponding period last month.

Domestic Spot Market Highlights

Domestic palm oil market traded range bound on steady demand/supply while bullishness at BMD reflected at Kandla. The recent estimation of Malaysian palm oil by SGS figured out nil export to India during Feb 1-15. Crude palm oil CIF prices stood unchanged and quoted at \$590/tonne for March shipment on Thursday. 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 (15.02.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1960	1956	1970	1956	1970	+10	32
Mar.07	1911	1906	1925	1906	1931	+20	1038
Apr.07	1907	1901	1931	1900	1928	+21	4885
May.07	1906	1901	1919	1901	1923	+17	3702
Jun.07	1905	1903	1915	1912	1921	+16	417

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	15.02.07	14.02.07	Change
Kandla CPO (5 % FFA)	395	394	+1
Kandla RBD Palmolein +VAT	414	414	0
Mumbai RBD Palmolein +VAT	432	435	-3
Chennai RBD Palmolein +VAT	435	435	0
Kakinada RBD Palmolein +VAT	420	420	0
Hyderabad RBD Palmolein +VAT	438	438	0
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	15.02.07	14.02.07	Change
Crude Soy Oil	NA	663	-
Crude Palm Oil	590	590	0
Sunflower Oil	NA	680	-

Rape/Mustard oil

Nafed held mustard seeds selling with 8.3 lakh tons carry forward stock for current season had bullish impact on mustard oil in Rajasthan regions. Stockists remain active in fresh buying. Recent rainfall might affect yield and quality in early maturation variety crop. In prevailing weather condition traders are expecting further improvement in mustard oil prices in approaching days.

Groundnut Oil

Improve demand in Mumbai boosted groundnut oil prices while steady demand/supply kept prices range bound in rest of markets. Sentiments for crushing remained low due to higher oil prices and dwindle quality seeds stocks. Groundnut oil prices likely to trade steady in coming days amidst higher prices and declined stockists and retailers' interest for fresh buying.

Refined Sunflower Oil

Cheap availability of other edible oil and arrival pressure of sunflower seeds had bearish impact in few markets while Hyderabad market remained range bound on steady demand. According to trade sources sunflower oil prices likely to trade steady to weak ahead on current seeds arrivals pressure.

Refined Cotton Oil

Steadiness in groundnut oil had same reflection in most of market. Arrivals remained steady. Stockists were remains active in replenishing their inventories anticipating bullish days ahead for cotton oil. Trades are expecting its prices to moved according with developments in overseas market on lack of bullish sentiment ahead.

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

Centres	15.02.07	14.02.07	Change
Mumbai (Exp. Oil) +VAT	430	430	0
Kota (Expeller Oil)+VAT	411	409	+2
Jaipur (Expeller Oil)+VAT	416	414	+2
Delhi (Expeller Oil)	445	445	0
Neewai (Expeller Oil) +VAT	NA	411	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	15.02.07	14.02.07	Change
Mumbai +VAT	610	605	+5
Rajkot +VAT	625	625	0
Andhra Region +VAT	670	670	0
Chennai +VAT	650	NA	-
Delhi	650	650	0

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

Centres	15.02.07	14.02.07	Change
Mumbai +VAT	545	550	-5
Chennai +VAT	572	575	-2
Hyderabad +VAT	570	570	0

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

Centres	15.02.07	14.02.07	Change
Mumbai +VAT	437	435	+2
Hyderabad +VAT	440	440	0
Rajkot + VAT	426	426	0
Delhi	426	426	0

Forex Rates

(As on 15.02.2007)

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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