

VEGOIL DAILY

February 14th, 2007

REFINED SOY OIL

SPOT MARKET:

Sluggish BMD and mixed overnight CBOT depressed spot prices of refined soy oil domestically. Improved influx of soy oil reported from stockists on fall short of bullish market ahead. Demand remained poor across most of markets. Beans arrivals were remained low with poor offtake from processor units. However, sentiments for meal improved at ports. Soybean's crushing was reported low on low parity for soy oil. Crude soy oil CIF rates declined and quoted at \$663/tonne as compared to yesterday's prices of \$667/tonne for February shipment on Tuesday.

FUTURES MARKET:

Today, most active March contracts of refined soy oil futures at NCDEX finished high. March contract opened at Rs 445.3/10kg down Rs. 0.9 to yesterday closing level. Today, soy oil recovered from recent losses on technical pressure despite sluggishness at BMD and strong bearish physical sentiments led to speculative buying and market finished Rs. 1.65 high at Rs. 447.85/10kg to previous closing at Rs. 446.2/10kg.

PRICE DRIVERS:

1. Declined crude soy oil CIF prices
2. Steady soybeans arrivals
3. Sluggish domestic demand
4. Weak BMD
5. Improved meal sentiment at ports

Weather

Mainly dry weather likely over Rajasthan and Gujarat would facilitate beans arrivals in coming days.

TECHNICALS

Refined soy oil chart showing recovery from recent losses. The prices closed below 9-days and 18-days EMA suggests bearish trends yet to complete. MACD progressed further in the negative region indicates underlying bearishness. Stochastics made bullish crossover in the oversold region. Volume declined significantly while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	441	444	447.8	453	456

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Sell Below 449; T1 447 then 446 and put stop loss at 451.

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

Centres	13.02.07	12.02.07	Change
Mumbai (Soy Ref oil)+VAT	442	443	-1
Indore (Soy Ref oil)+VAT	416	419	-3
Kota (Soy Ref. Oil)+VAT	NA	426	-
Hyderabad (Soy Ref)+VAT	448	448	0
Rajkot (Soy Ref)+Tax	440	450	-10

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remain Mixed

Crude palm oil futures finished moderate weak on Tuesday at Bursa Malaysia Derivatives amidst short covering and pressure from weakness in other commodities. The most active April contract of crude palm oil futures finished MYR5 down at MYR1,885/tonne. Overnight weakness at soy oil futures and declined crude oil prices had strong bearish impact.

Domestic Spot Market Highlights

Spot prices of palm oil remained weak across domestic market amidst sluggish demand. Weakness in other vegetable oil had bearish impact. Palm oil prices likely to trade in bearish tone in coming days as many vessels are expecting to fuel more palm oil in the market.

BMD: CPO Futures (13.02.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1910	1913	1913	1912	1913	+3	28
Mar.07	1895	1880	1897	1875	1893	-2	628
Apr.07	1890	1875	1895	1873	1885	-5	6531
May.07	1890	1875	1891	1870	1886	-4	4281
Jun.07	1888	1873	1883	1873	1883	-5	87

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	13.02.07	12.02.07	Change
Kandla CPO (5 % FFA)	394	396	-2
Kandla RBD Palmolein +VAT	414	415	-1
Mumbai RBD Palmolein +VAT	432	438	-6
Chennai RBD Palmolein +VAT	438	438	0
Kakinada RBD Palmolein +VAT	416	422	-6
Hyderabad RBD Palmolein +VAT	440	443	-3
Delhi RDB Palmolein	450	455	-5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	13.02.07	12.02.07	Change
Crude Soy Oil	663	667	-4
Crude Palm Oil	NA	NA	-
Sunflower Oil	682	685	-3

Rape/Mustard oil

Mustard oil prices stood in bullish tone across domestic market. Rainfall had bullish impact. Resellers remain active in fresh buying for mustard oil. Nafed did not sell mustard seeds on second consecutive day. Mustard seeds arrivals remained steady. Traders are anticipating further improvement in mustard oil prices amidst reports of delay harvest in parts of Rajasthan.

Groundnut Oil

Today, spot prices of groundnut oil traded steady to bearish in most of market. Crushing remained steady. Few markets remains range bound on steady demand/supply while poor demand depressed its prices in Chennai and Delhi market. In Rajkot market, shelled groundnut quoted at 467/20 kg with arrivals around 20,000 bags. Traders are expecting steady to bullish sentiments in coming days amidst steady crushing these days.

Refined Sunflower Oil

Good arrivals of sunflower seeds and poor demand witnessed weakness for refined sunflower oil. Sunflower oil CIF rates declined and quoted at \$682/tonne against yesterday's \$685/tonne for February shipment on Tuesday. Sunflower oil prices likely to fall further on prevailing sluggish demand.

Refined Cotton Oil

Shift of retailer's choice to refined cotton oil had bullish impact in Rajkot and Delhi market while sentiments for demand remained sluggish in rest of markets. Cottonseeds arrivals remain steady. Refined cotton oil prices likely to move accordingly with groundnut oil in coming days.

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

Centres	13.02.07	12.02.07	Change
Mumbai (Exp. Oil) +VAT	430	435	-5
Kota (Expeller Oil)+VAT	409	407	+2
Jaipur (Expeller Oil)+VAT	414	410	+4
Delhi (Expeller Oil)	442	440	+2
Neewai (Expeller Oil) +VAT	410	408	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	13.02.07	12.02.07	Change
Mumbai +VAT	605	605	0
Rajkot +VAT	625	620	+5
Andhra Region +VAT	670	670	0
Chennai +VAT	630	640	-10
Delhi	650	660	-10

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

Centres	13.02.07	12.02.07	Change
Mumbai +VAT	560	565	-5
Chennai +VAT	580	580	0
Hyderabad +VAT	570	570	0

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

Centres	13.02.07	12.02.07	Change
Mumbai +VAT	433	437	-4
Hyderabad +VAT	435	435	0
Rajkot + VAT	425	424	+1
Delhi	427	425	+2

Forex Rates

(As on 13.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.17
European Union	Euro	57.26
Japan	100 Yen	36.36
United Kingdom	Pound Sterling	86.10

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Shima Kaze	6,950	CPO	Arrived (10/02/2007)
	Marida Princess	5,000	CPO	Arrived (11.02.2007)
	Mercure	14,500	Soy oil	Expected (13.02.2007)
	Spring Glory	4,100	CPO	Arrived (09.02.2007)
Chennai	Caroline 7	5,500	CPO	Berthed (09.02.2007)
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (05.03.2007)

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