

VEGOIL DAILY

February 10th, 2007

REFINED SOY OIL

SPOT MARKET:

Despite bullish USDA weekly export sales and rises BMD domestic market remained on bearish tone across domestic market on poor demand. Offtake of soy oil remained poor from stockists and resellers. In Kota market prices declined amidst pressure from arrivals of new mustard seeds. According to trade sources, up to January 31 around 34-35 lakh tons soybeans have been crushed. Crude soy oil CIF prices declined further and quoted at \$670/tonne against previous prices of \$673/tonne for February shipment on Friday. Refined soy oil prices likely to depress further on increase arrivals of new mustard seeds in the market.

FUTURES MARKET:

The most active march contracts of refined soy oil futures at NCDEX finished down. March contract opened at Rs 452.5/10kg up Rs. 0.1 to yesterday closing level. Tracking BMD and technical pressure supported the speculative buying on March contract. Short covering also helped market to gain and market finished Rs 1.35 up at Rs. 453.75/10kg to previous closing at Rs. 452.4/10kg.

PRICE DRIVERS:

1. Bullish USDA weekly exports sales
2. Bullish BMD and mixed CBOT
3. Declined crude soy oil CIF prices
4. Low activities from resellers and stockists
5. Sluggish domestic demand
6. Steady meal demand

Weather

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

TECHNICALS

Refined soy oil chart is showing recovery from recent losses. The hollow candlestick with long lower and short upper shadow indicating underlying bearish sentiments. The prices closed below 9-days and 18-days EMA. MACD is running smoothly in the negative territory. Stochastics moved further down after bearish crossover to the oversold region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	446	449	453.75	458	461

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Sell Below 455; T1 near 453 then 452 and put stop loss at 457.

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

Centres	09.02.07	08.02.07	Change
Mumbai (Soy Ref oil)+VAT	442	443	-1
Indore (Soy Ref oil)+VAT	421	421	0
Kota (Soy Ref. Oil)+VAT	425	427	-2
Hyderabad (Soy Ref)+VAT	450	450	0
Rajkot (Soy Ref)+Tax	450	450	0

PALM OIL

International Highlights

Crude Palm oil Futures Finish up at BMD

Overnight firmed CBOT and improve crude oil futures forced crude palm oil futures to finish high across the board at Bursa Malaysian Derivatives on Friday despite lack of strong fundamental news for demand/supply. The most active April contract ended MYR26 up at MYR1,917/tonne. Anticipation for bullish exports sales figures for the period of February 1-10 by SGS and awaits for demand and support data by Malaysian Palm oil Board to be release on Monday had underlying bullish impact.

Domestic Spot Market Highlights

Bullish BMD future had similar reflection in Kandla market while sluggish demand in rest of locations kept prices steady to weak. The demand from vanaspati makers remained low these days due to ample stock position in the market. Crude palm oil CIF prices remained unchanged and quoted at \$585/tonne for February shipment on Friday. Palm oil prices likely to trade steady to bearish on lack of fresh fundaments for demand and supply.

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	09.02.07	08.02.07	Change
Kandla CPO (5 % FFA)	395	396	-1
Kandla RBD Palmolein +VAT	415	414	+1
Mumbai RBD Palmolein +VAT	440	442	-2
Chennai RBD Palmolein +VAT	442	442	0
Kakinada RBD Palmolein +VAT	424	424	0
Hyderabad RBD Palmolein +VAT	446	448	-2
Delhi RDB Palmolein	455	455	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	09.02.07	08.02.07	Change
Crude Soy Oil	670	673	-3
Crude Palm Oil	585	585	0
Sunflower Oil	679	680	-1

Rape/Mustard oil

Mustard oil prices fall further on poor demand and increased arrivals of mustard seeds in Kota division. Nafed kept unchanged mustard seeds prices (seed stocked during 2005-06) and prices for Jaipur regions stood at Rs. 1705/qrtl and for rest of region it remained at Rs. 1750/qrtl. Mustard oil prices likely to trade bearish in coming days on harvests progress further in Rajasthan and Madhya Pradesh.

Refined Groundnut Oil

Groundnut oil prices remained range bound across domestic market on steady demand/supply. In Hyderabad market low preference and poor trade activity results in range bound prices. Resellers were reported to remain active in selling. In coming days, its prices likely to trade steady to bearish on low interest of stockists.

Refined Sunflower Oil

Poor activities for edible oil had spill over effect on refined sunflower oil and its prices remained steady in few markets. Slight improvement in demand in Chennai had bullish impact. CIF prices declined slightly and quoted at \$679/tonne to yesterday's prices of \$680/tonne for February shipment on Friday.

Refined Cotton Oil

Continuous sluggish demand of groundnut oil and palm oil reflected similar sentiments on cotton oil. Although, cotton oil is one of the cheaper available oil in the market and important substitute for groundnut oil. In coming days cotton oil likely to move according with groundnut oil.

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

Centres	09.02.07	08.02.07	Change
Mumbai (Exp. Oil) +VAT	433	440	-7
Kota (Expeller Oil)+VAT	405	407	-2
Jaipur (Expeller Oil)+VAT	408	410	-2
Delhi (Expeller Oil)	440	440	0
Neewai (Expeller Oil) +VAT	406	406	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	09.02.07	08.02.07	Change
Mumbai +VAT	605	NA	-
Rajkot +VAT	605	605	0
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	09.02.07	08.02.07	Change
Mumbai +VAT	575	575	0
Chennai +VAT	587	585	+2
Hyderabad +VAT	570	570	0

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

Centres	09.02.07	08.02.07	Change
Mumbai +VAT	438	442	-4
Hyderabad +VAT	438	440	-2
Rajkot + VAT	422	423	-1
Delhi	425	428	-3

Forex Rates

(As on 09.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.06
European Union	Euro	57.46
Japan	100 Yen	36.30
United Kingdom	Pound Sterling	86.34

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Shima Kaze	9,293	CPO	Arrived (07/02/2007)
	Shima Kaze	6,950	CPO	Expected (08/02/2007)
	Mercure	14,500	Soy oil	Arrived (07.02.2007)

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