

REFINED SOY OIL

Dec 08, 2007

SPOT MARKET:

With the recovery in crude oil, BMD strengthened with spill over impact in domestic markets. Costlier degummed soy oil and good buying from resellers and stockists supported the sentiments. Anticipation for prices would stay firm in short term is stimulating solvent plants to slowly release the stock into markets. Soy oil also finds support from rising cottonseeds oil and mustard oil. Brazil is progressing to record plantation in 22.7 million hectares up from 21.3 million hectares, last year and plantation completed in nearly 89% as on December 4th from 87% on 30th November. Soybean production in 2007/08 is expecting around 62.3 mmt up from last year's 58.5 mmt. The USDA weekly export sales of soybean and soy oil remained bullish and totaled at 993,500 and 41,000 tonnes from trade expectation between 600,000-800,000 and 10,000-20,000 tonnes, respectively. The CIF price of crude soy oil for December shipment declined further to \$1106 per tonne on Friday from \$1112 per tonne on Thursday.

FUTURES MARKET:

Tracking mixed global advice, **NCDEX** refined soy oil futures traded in narrow range on Friday on short covering and renewed buying interest among traders. However, gains were capped by weakness in others edible oil. The **January** futures contract of refined soy oil opened at Rs. 533.5 per 10 kg from previous close of Rs. 531.3 per 10 kg. The futures contract closed up at Rs. 533.5 per 10 Kg.

MCX refined soy oil futures recovered slightly on renewed buying interest and bullish tone in BMD CPO futures. Market also found support from surging crude oil. The most active **January** contract opened at Rs. 533.5 per 10 kg against previous closing of Rs. 530.8 per 10kg. The prices settled up at Rs.533.3 per 10 Kg.

PRICE DRIVERS:

- Recuperating BMD and futures on recovery in crude oil
- Costlier landing cost of soy degummed oil to domestic produce
- Weak crude oil induced selling pressure
- Bullish USDA weekly exports sales of soy complex
- Improved demand and slow release by solvent plants
- Weakness in rival edible oil
- CIF price of crude soy oil declined \$6 to \$1106/tonne

WEATHER

Mainly clear weather forecast would support the fieldwork and bulk of soybeans arrivals is likely in coming days.

TECHNICALS

Candlesticks chart pattern indicate selling pressure at higher level. Price failed to breaches the strong support level near Rs. 531 level. Price lose below to short and medium term EMA, suggest medium-term weakness. MACD is falling in positive territory. Stochastic is falling while RSI is rising in neutral region. Market is expected to trade down with weak bias.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	524	526	533.5	538	539
MCX-Jan	526	528	533.3	536	538

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

SELL Near 532 T1 near 530, T2 near 528 and put stop loss at 533.

MCX Refined Soy Oil January Contract:

SELL Near 533; T1 near 531, T2 near 529 and put stop loss at 534.



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D A I L Y

■ REFINED SOY OIL ■

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

Centres	07.12.07	06.12.07	Change
Mumbai (Soy Ref oil)+VAT	525	525	Nil
Indore (Soy Ref oil)	503	505	-2
Kota (Soy Ref. Oil)+VAT	515	517	-2
Hyderabad (Soy Ref)	528	530	-2
Rajkot (Soy Ref)+Tax	530	530	Nil

Refined Soybean Oil: Futures Market Prices (Rs/10Kg)

Exchange	Expiry	Open	High	Low	Close	Prev Close	Change
NCDEX	Dec	527.70	528.40	526.10	527.35	525.20	+2.15
NCDEX	Jan	533.50	535.00	532.80	533.50	531.30	+2.20
NCDEX	Feb	540.95	540.95	540.95	539.35	537.85	+1.50
MCX	Dec	526.55	527.95	525.50	526.70	524.50	+2.20
MCX	Jan	533.50	534.70	532.60	533.30	530.80	+2.50
MCX	Feb	539.55	540.45	538.00	538.75	537.00	+1.75
MCX	March	542.00	545.00	542.00	545.00	542.95	+2.05

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	07.12.07	06.12.07	Change
Crude Palm Oil	925	915	+10
Crude Soy Oil	1106	1112	-6
Sunflower Oil	1395	1395	Nil

■ PALM OIL

International Highlights

BMD CPO Futures Improve on Crude oil

Recuperated crude oil supported crude palm oil futures at Bursa Malaysian Derivatives Exchange Friday but gains were capped by expectation of improved palm oil stocks in November by Malaysian Palm oil Board (MPOB). The CPO futures rose though out the day but failed to breach the psychological level of MYR 2,900/tonne and the most active February contract of crude palm oil futures recovered MYR20 to MYR2,870 per tonne. Traders are expecting the November palm oil stocks nearly 1.7 mmt from 1.56 mmt in October. Trading volume improved to 9,926 lots from 9,753 lots Friday and open interest declined slightly to 43,454 lots from 43,483 lots yesterday.

Domestic Spot Market Highlights

Physical price of palm oil consolidated on Friday on slow demand from Vanaspati markers and thin trading. According to trade estimation, in December nearly 300,000-350,000 tonnes of edible oil likely to import which is nearly close to last year's figures. Out of this figures nearly 80%, palm oil would import, traders added. Against govt. order to ban to unload in Kerala port, a vessel has been reported to unload 6,000 tonnes of palm oil from 12,000 tonnes. This agitated the coconut growers in Kerala. The improve inventories of palm oil as traders are waiting for clear price direction in Indonesian. The CIF price of crude palm oil for December shipment improved on Friday to \$925 per tonne from \$915 per tonne on Thursday.

BMD: CPO Futures (07.12.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec 07	2830	2877	2887	2865	2865	+35	75
Jan 08	2832	2874	2888	2857	2857	+25	1113
Feb 08	2850	2886	2898	2869	2870	+20	6100
March 08	2849	2885	2902	2875	2876	+27	2161
April 08	2854	2898	2901	2880	2880	+26	466

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	07.12.07	06.12.07	Change
Kandla CPO (5 % FFA)	447	446	+1
Kandla RBD Palmolein +VAT	484	482	+2
Mumbai RBD Palmolein +VAT	490	489	+1
Chennai RBD Palmolein +VAT	485	485	Nil
Kakinada RBD Palmolein +VAT	470	475	-5
Hyderabad RBD Palmolein +VAT	495	498	-3
Delhi RDB Palmolein	540	540	Nil

OTHERS

Rape/Mustard oil

Despite recovery in mustard seeds in regional exchanges and in cash markets, oil prices weak on sluggish demand and steady supply with lack luster trade. At current seeds price, the realization on seeds crushing is low, which is impeding expellers to pace up their crushing. IMD has forecasted the dry weather in Rajasthan, which again raise the possibility of fall in acreage in Rabi 2007/08 season.

Groundnut Oil

Weakness in others edible oil and disinterest of traders for fresh buying pressurized the groundnut oil in major trading centres. In last week of November around 6.6% hike is reported groundnut meal and rose nearly 40% to last year. However, the temporary weakness in meal is reported in current weak. Price of shelled groundnut of different quality declined further on Thursday to Rs. 410-506 per 20 kg down from Rs. 410-511 per 20 kg previous day in different markets of Gujarat.

Refined Sunflower Oil

Price of refined sunflower traded mostly range bound to weak amidst steady supplies. However, the underlying firmness in maintained in sunflower seeds meals which improved nearly 10% in last week of November. This capped the losses to certain extent. The CIF price of crude sunflower oil for December shipment remained unchanged on Friday at \$1395 per tonne to previous day. The underlying firmness in overseas markets are likely to underpin the sunflower oil in short-term.

Refined Cottonseeds Oil

Steady demand and improving prospect of supplies cast weakness for refined cottonseeds oil in major markets. As per reports, India is likely to overtake the Turkey in organic cotton production in 2006/07 season. In 2005/06, country organic cotton production 31.71% to 9,835 tonnes while Turkey had produced 32.76% more cotton to 10,160 tonnes. Traders are expecting refined cottonseed oil is likely to stay buoyant in coming days on improve demand.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	07.12.07	06.12.07	Change
Mumbai (Exp. Oil) +VAT	535	537	-2
Kota (Exp. Oil)+VAT	504	508	-4
Jaipur (Exp. Oil)+VAT	516	518	-2
Delhi (Exp. Oil)	530	545	-15
Neewai (Exp. Oil) +VAT	505	509	-4

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	07.12.07	06.12.07	Change
Mumbai +VAT	655	650	+5
Rajkot +VAT	655	655	Nil
Hyderabad +VAT	620	630	-10
Chennai +VAT	600	620	-20
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	07.12.07	06.12.07	Change
Mumbai +VAT	685	680	+5
Chennai +VAT	680	715	-35
Hyderabad	695	700	-5

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	07.12.07	06.12.07	Change
Mumbai +VAT	510	512	-2
Hyderabad +VAT	510	512	-2
Rajkot + VAT	513	523	-10
Delhi	515	520	-5

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		07.12.07	06.12.07
USA	Dollar	39.41	39.47
European Union	Euro	57.58	57.65
Japan	100 Yen	35.42	35.57
United Kingdom	Pound Sterling	79.81	80.09



■ OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Stolt Vestland	6,000	G'nut oil (Export)	Expected (12.12.07)
	Chembulk Singapore	12,420	CPO	Expected (03.12.07)
Kolkata	Golden Dream	3,800	CPO	Arrived (01.12.07)
Mumbai	Global Triton	12,000	Palm oil Product	Arrived (27.11.07)
Tuticorin	Spring Glory	4,100	Palm oil	Expected (02.12..07)

New vessels on chart are in bold.

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