

## REFINED SOY OIL

Dec 10, 2007

### SPOT MARKET:

Spot price of soy oil maintained the last week's bearish-trends on Saturday on poor demand and lackluster trading. Weakness in crude oil and others edible oil also strengthened the softer side. As soybean crushing is in full swing, solvent plants are offering soy oil at cheaper price which also pressurized the markets. Argentine 2007/08 soybean crop is likely at 16.6 million hectares which is 2.2% up from last year's 16.2 million hectares last year while sowing is completed in 56% as on December 6, which is lagging to last year's 67% as dry weather impeding the sowing progress. Dry weather is also not supportive for growing soybean crop. The CIF price of crude soy oil for December shipment recovered slightly on Saturday to \$1108 per tonne from \$1106 per tonne on Friday while traded between \$1106-1118 per tonne in last week. Currently market is looking to direction and exports figures in November by Malaysian Palm oil Board (MPOB) would guide in coming days.

### FUTURES MARKET:

Tracking mixed global advice, **NCDEX** refined soy oil futures traded in narrow range on Saturday on mild 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. 534.15 per 10 kg from previous close of Rs. 533.25 per 10 kg. The futures contract closed up at Rs. 534.2 per 10 Kg.

**MCX** refined soy oil futures recovered slightly on renewed buying interest and bullish recovery in BMD CPO futures. Market also found support from surging crude oil. The most active **January** contract opened at Rs. 533.2 per 10 kg against previous closing of Rs. 532.95 per 10kg. The prices settled up at Rs. 533.95 per 10 Kg.

### PRICE DRIVERS:

- Expectation of bearish exports figures in November by MPOB
- Costlier landing cost of soy degummed oil to domestic produce
- Soybean crushing in full swing pressurized the market
- Lagging Argentine soybean plantation
- Weakness in crude oil and others edible oil
- CIF price of crude soy oil recovered slightly \$2 to \$1108/tonne

### WEATHER

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

### TECHNICALS

Refined soy oil chart shows the indecision among traders. Price close lower to short and medium term EMA, suggest medium-term weakness. MACD is falling in positive territory. Stochastic is hovering near the boundary of oversold region 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	534.2	538	539
MCX-Jan	526	528	533.95	536	538

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil January Contract:**

**SELL** Near 533 T1 near 531, T2 near 530 and put stop loss at 534.

**MCX Refined Soy Oil January Contract:**

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



## ■ REFINED SOY OIL ■

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

Centres	08.12.07	07.12.07	Change
Mumbai (Soy Ref oil)+VAT	526	528	-2
Indore (Soy Ref oil)	501	503	-2
Kota (Soy Ref. Oil)+VAT	515	515	Nil
Hyderabad (Soy Ref)	528	528	Nil
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	528.10	528.90	526.60	526.80	527.25	-0.45
NCDEX	Jan	534.15	535.60	533.30	534.20	533.25	+0.95
NCDEX	Feb	540.00	541.80	540.00	540.10	539.10	+1.00
MCX	Dec	528.00	528.00	526.00	526.75	526.35	+0.40
MCX	Jan	533.20	535.30	533.00	533.95	532.95	+1.00
MCX	Feb	537.70	541.95	537.70	540.00	538.30	+1.70
MCX	March	543.25	544.50	543.20	543.40	542.95	+0.45

### CIF Price Basis Kandla Port (\$/MT)

Edible Oil	08.12.07	07.12.07	Change
Crude Palm Oil	NA	925	-
Crude Soy Oil	1108	1106	+8
Sunflower Oil	1395	1395	Nil

## ■ PALM OIL

### International Highlights

**BMD CPO Futures Remained Closed on Saturday.**

### Domestic Spot Market Highlights

The sluggish demand and weakness in rival edible oil pressurized the palm oil in last week but price major influence by bearish-trend in CPO futures on BMD that reflection most active February contract, which touched the 1 month low nearly MYR 2,850/tonne. According to govt. official, edible oil import in 2007/08 oil year (Nov-Dec) is likely to be around 4.5 mmt, down 4.55% vis-à-vis last year. The most active February 08 contract of crude palm oil futures traded between MYR2,850-2,926/tonne (MYR2,930-3,038/tonne last week). In current week, crude palm oil CIF prices for December shipment traded between \$915-927/tonne (\$935-962/tonne last week).

### 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	08.12.07	07.12.07	Change
Kandla CPO (5 % FFA)	447	447	Nil
Kandla RBD Palmolein +VAT	482	484	-2
Mumbai RBD Palmolein +VAT	488	490	-2
Chennai RBD Palmolein +VAT	485	485	Nil
Kakinada RBD Palmolein +VAT	470	470	Nil
Hyderabad RBD Palmolein +VAT	493	495	-2
Delhi RDB Palmolein	540	540	Nil

## OTHERS

### Rape/Mustard oil

Price of mustard oil recouped slightly on weekend on consolidation and steady demand. As per government latest sowing estimation, Rabi mustard sowing is lagging and completed in 55.94 lakh hectares as on December 7<sup>th</sup> down from 52.77 lakh tonnes a week ago and 63.44 lakh hectares same period, last year. The forecast by IMD for dry spell in Rajasthan, in coming days which will likely keeps the mustard below to last year.

### Groundnut Oil

Physical price of groundnut oil traded mostly in weak tone across domestic markets on sluggish demand and improved supplies from expellers. However, gains were capped by lagging groundnut sowing, which is completed in 3.28 lakh hectares on December 7<sup>th</sup> up from 2.41 lakh hectares last week and 3.43 lakh hectares same period a year ago. Price of Prices of shelled groundnut of different quality declined further on Saturday to Rs. 410-500 per 20 kg down from Rs. 410-506 per 20 kg on Friday in different markets of Gujarat.

### Refined Sunflower Oil

Balance in demand and supply and weakness in others edible oil pulled the refined sunflower oil range bound across domestic markets. However, the global sentiments also remained in bearish-tone. Argentine sunflower has completed in 93% on December 6<sup>th</sup> down from 91% same period in 2006/07. The CIF price of crude sunflower oil for December shipment remained unchanged on Saturday at \$1395 per tonne to yesterday. Traders are expecting sunflower oil is likely to trade down in coming days on underlying weakness in others edible oil.

### Refined Cottonseeds Oil

Refined cottonseeds oil traded steady to weak on sluggish demand subdued trade activities. Expectation of bearish-trends is likely to rule in coming days, solvent plants has improved their selling activities added the pressure into markets. According to trade sources, Haryana witnessed considerably high arrivals of cotton, which was reported around 50,000 qtl. The cotton arrivals in state are likely at 20.52 lakh qtl up from 20.02 lakh qtl last year.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	08.12.07	07.12.07	Change
Mumbai (Exp. Oil) +VAT	535	535	Nil
Kota (Exp. Oil)+VAT	506	504	+2
Jaipur (Exp. Oil)+VAT	516	516	Nil
Delhi (Exp. Oil)	530	530	Nil
Neewai (Exp. Oil) +VAT	505	505	Nil

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	08.12.07	07.12.07	Change
Mumbai +VAT	655	655	Nil
Rajkot +VAT	650	655	-5
Hyderabad +VAT	620	620	Nil
Chennai +VAT	600	600	Nil
Delhi	700	700	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	08.12.07	07.12.07	Change
Mumbai +VAT	685	685	Nil
Chennai +VAT	680	680	Nil
Hyderabad	695	695	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	08.12.07	07.12.07	Change
Mumbai +VAT	510	510	Nil
Hyderabad +VAT	510	510	Nil
Rajkot + VAT	512	513	-1
Delhi	515	515	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		08.12.07	07.12.07
USA	Dollar	39.41	39.41
European Union	Euro	57.75	57.58
Japan	100 Yen	35.28	35.42
United Kingdom	Pound Sterling	79.95	79.81



## ■ 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 Manglore	S.C. Tianjin	6,000	CPO	Expected (09.12.07)

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.