



REFINED SOY OIL

Dec 22, 2007

SPOT MARKET:

Due to celebration of ID-UI-Zuha, trade remained thin across the domestic markets. Physical price of soy oil maintained the firmness on account of bullish-trends in BMD, which rose on higher than expected exports figures by cargo surveyors. In a sugar industry event, a government official clued that import duties on edible oil will be review. This basis of this is soaring international markets. The crude palm oil prices is hovering near MYR3,000/tonne level. As per SGS figures, Malaysia palm oil exports increased 1.4% to 964,094 tonnes in the December 1-20. In November 1-20, export was placed at 950,983 tonnes. Whereas another cargo Surveyor, Intertek pegged exports at 946,210 tonnes. Figures from both were above the trade expectation, which is around 925,000-950,000 tonnes. The CIF price of crude soy oil for January shipment consolidated on Friday to \$1112 per tonne from \$1117 per tonne on Thursday.

FUTURES MARKET:

Tracking bullish global advice, **NCDEX** refined soy oil futures finished up Friday on continuous buying interest among traders anticipating long-term firmness in the markets. However, firm tone in others edible oil aided some support. The **January** futures contract of refined soy oil opened at Rs. 544.9 per 10 kg from previous close of Rs. 541.9 per 10 kg. The futures contract closed up at Rs. 547.9 per 10 kg.

MCX refined soy oil futures settled up continuous buying interest. Prospects of tight supplies in domestic markets are also remains supportive to sentiments. The most active **January** contract opened at Rs. 544.6 per 10 kg against previous closing of Rs. 543.5 per 10kg. The prices settled up at Rs. 547.6 per 10 kg.

PRICE DRIVERS:

- Thin trade on celebration of ID-UI-Zuha
- Nearly 50-55 lakh tonnes of soybean have been arrived into the markets
- Malaysian palm oil exports rose 1.4% to 964,094 per tonne in the December 1-20
- Bullish trends in BMD CPO futures
- Attractive parity supported soybean crushing
- Ongoing rain in Malaysia, which affected the harvesting of palm kernel
- CIF price of crude soy oil consolidated on Friday by \$5 to \$1112 per tonne

WEATHER

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

TECHNICALS

Candlesticks chart shows the strong firmness in the markets and prices breach previous high (Rs. 547), made in November 26th. Price closes well above to short and medium term EMA, which is indicative for medium term firmness. MACD is rising after bullish crossover in positive territory, which is a bullish indication. Both stochastic and RSI is rising in the overbought region. Price are likely to rise further from current level with possibility late downward movement on profit taking.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	540	542	547.9	553	554
MCX-Jan	540	542	547.6	553	554

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

BUY Above 548 T1 near 550, T2 near 552 and put stop loss at 547.

MCX Refined Soy Oil January Contract:

BUY Above 548; T1 near 550, T2 near 552 and put stop loss at 547.



■ REFINED SOY OIL ■

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

Centres	21.12.07	20.12.07	Change
Mumbai (Soy Ref oil)+VAT	534	534	Nil
Indore (Soy Ref oil)	514	512	+2
Kota (Soy Ref. Oil)+VAT	518	516	+2
Hyderabad (Soy Ref)	530	530	Nil
Rajkot (Soy Ref)+Tax	532	530	+2

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	Change
NCDEX	Jan	544.90	547.90	543.70	547.90	541.90	+6.00
NCDEX	Feb	551.00	555.50	550.90	555.40	547.55	+7.85
NCDEX	March	556.40	561.20	556.20	561.20	553.00	+8.20
MCX	Jan	544.60	547.75	543.45	547.60	543.50	+4.10
MCX	Feb	551.10	555.00	551.00	555.00	550.20	+4.80
MCX	March	559.00	560.50	557.00	560.50	555.30	+5.20

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	21.12.07	20.12.07	Change
Crude Palm Oil	950	NA	-
Crude Soy Oil	1112	1117	-5
Sunflower Oil	1400	1413	-13

■ PALM OIL ■

International Highlights

BMD CPO Futures Finish Up on Weather Concerns

Weather concern in palm oil producing regions strengthened crude palm oil futures at Bursa Malaysian Derivatives Exchange Wednesday. Besides, market also finds support high exports figures against trade expectation. The most active March contract of crude palm oil futures finished MYR30 up at MYR2,992 per tonne. Market briefly stayed above to psychological barrier of MYR3,000 per tonne. During the trade session, SGS released exports sales estimation, which highlighted the exports rose merely 1.4% to 964,094 tonnes in the December 1-20. Trading volume declined sharply to 3,841 lots from 7,575 lots yesterday while open interest also declined to 41,071 lots from 42,145 lots Thursday.

Domestic Spot Market Highlights

Due to celebration of Id-UI-Zuha, trade activities remained thin, however price firmed up in major markets tracking firmness BMD CPO futures. As per SGS latest trade estimates, palm oil exports to India in the December 1-20 increased to 33,685 tonnes up from 28,820 tonnes, same period last year. Due to ongoing rainfall in Indonesia and Malaysia, supplies would squeeze and output in Malaysia would be around 15.7 mmt in 2007 from 15.9 mmt a month ago. The CIF price of crude palm oil for January shipment increased on Friday to \$950 per tonne from \$942 per tonne on Wednesday. Traders are still optimist for further upward movement in price in coming days on underlying firmness in others edible oil.

BMD: CPO Futures (21.12.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan 08	2946	2965	2988	2965	2980	+34	226
Feb 08	2958	2963	2999	2963	2990	+32	910
March 08	2962	2965	3001	2965	2992	+30	2300
April 08	2962	2974	3000	2974	2987	+25	346
May 08	2960	2975	2995	2975	2990	+30	59

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	21.12.07	20.12.07	Change
Kandla CPO (5 % FFA)	458	457	+1
Kandla RBD Palmolein +VAT	494	494	Nil
Mumbai RBD Palmolein +VAT	498	496	+2
Chennai RBD Palmolein +VAT	490	490	Nil
Kakinada RBD Palmolein +VAT	482	482	Nil
Hyderabad RBD Palmolein +VAT	498	495	+3
Delhi RDB Palmolein	540	540	Nil

OTHERS

Rape/Mustard oil

Physical price of mustard oil traded mostly range bound on balance in demand and supplies and lackluster trade. Currently market is deprived of supportive news and traders are in wait and watch situation and looking closing the movement in other related commodities. However bullish trends in mustard seeds in regional exchanges supported the sentiments. The fall in Rabi acreage this year would keep the mustard seeds rate buoyant with spill over impact on oil.

Groundnut Oil

The outpaced supplies to demand and expectations of short-term weakness in groundnut oil have pressured the groundnut oil in spot markets. Buyers were stayed away assuming, groundnut oil could fall in coming days. However, exporters are maintaining their good demand of seeds to continue crushing longer. The current weather is not supportive for Rabi groundnut oil, which cushioned the price to certain extent. The price of shelled groundnut remained range bound on Thursday to Rs. 518 per 20 kg from yesterday in different markets of Gujarat.

Refined Sunflower Oil

Costlier crude and firm tone in others edible oil has raised the price of refined sunflower oil in major trading centres. As per Argentine Agriculture Secretariat, sunflower seeds oil exports fell sharply to 53% in October to 47,832 tonne from 101,297 tonne vis-à-vis last year. Egypt was major buyer and purchased 9,393 tonnes of sunflower seeds oil. Argentina is the leading exporter of sunflower oil. The CIF price of crude sunflower oil for January shipment fell in Friday to \$1400 per tonne from \$1413 per tonne on Thursday.

Refined Cottonseeds Oil

Price of refined cottonseeds oil remained in firmed tone on steady demand and supplies and bullish note in others edible oil. However, demand is in the market and solvent plants are offering at higher price but the weak demand in retail at higher price forcing buyers to stay away from market. The attractive parity and underlying firmness in others edible oil would keep the refined cottonseeds oil firm in near-term.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	21.12.07	20.12.07	Change
Mumbai (Exp. Oil) +VAT	540	540	Nil
Kota (Exp. Oil)+VAT	510	510	Nil
Jaipur (Exp. Oil)+VAT	518	518	Nil
Delhi (Exp. Oil)	540	540	Nil
Neewai (Exp. Oil) +VAT	508	508	Nil

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	21.12.07	20.12.07	Change
Mumbai +VAT	635	635	Nil
Rajkot +VAT	675	675	Nil
Hyderabad +VAT	615	615	Nil
Chennai +VAT	620	610	+10
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	21.12.07	20.12.07	Change
Mumbai +VAT	670	665	+5
Chennai +VAT	695	680	+15
Hyderabad	690	690	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	21.12.07	20.12.07	Change
Mumbai +VAT	520	518	+2
Hyderabad +VAT	515	515	Nil
Rajkot + VAT	515	515	Nil
Delhi	510	510	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		21.12.07	20.12.07
USA	Dollar	39.29	39.57
European Union	Euro	56.47	56.85
Japan	100 Yen	34.67	34.96
United Kingdom	Pound Sterling	78.05	78.93

OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Stolt Vestland	6,000	G'nut oil (Export)	Berthed (12.12.07)
	Celestia	11,000	Palm oil	Expected (14.12.07)
	Chemroad Vega	28,500	Palm oil Product	Expected (22.12.07)
Mumbai	Global Triton	12,000	Palm oil Product	Expected (21.12.07)
Kolkata	Pacific Sound	9,300	CPO	Arrived (13.12.07)
	Eternal Glory	6,500	CPO	Expected (15.12.07)
	Global Trader	4,750	CPO	Expected (15.12.07)
	Marida Prince	7,944	CPO	Arrived (15.12.07)
	Yong Cheng-15	5,500	CPO	Arrived (17.12.07)
	Sea Lustre	6,550	CPO	Arrived (16.12.07)
New Manglore	Global Evos	11,000	CPO	Expected (22.12.07)

New vessels on chart are in bold.

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.