

## REFINED SOY OIL

Dec 07, 2007

### SPOT MARKET:

Sharp fall in crude oil induced strong selling pressure on BMD and futures. Whereas overnight CBOT soy oil futures declined on heavy deliveries and support growing condition of soybean in Brazil. This and lackluster trade pushed down the soy oil in spot markets. The good winter oilseeds crushing and firm edible oil in the international markets may lower the imports of edible oil in December and January months. Traders are expecting the import will be more or less same to last year's figures but palm oil is likely to imported more than others edible oils. Traders are expecting that imports may around 300,000-350,000 tonnes in December and palm oil may comprise around 80% to total edible oil import. In last 1 week, soy degummed oil dropped \$24/tonne while palm oil has eased \$37/tonne. The CIF price of crude soy oil for December shipment declined to \$1112/tonne on Thursday from \$1118/tonne on Wednesday.

### FUTURES MARKET:

Tracking weak global advice, **NCDEX** refined soy oil futures declined Thursday on profit taking and strong selling interest among traders. However, weakness is supported by weakness in others edible oil. The **January** futures contract of refined soy oil opened at Rs. 536.3 per 10 kg from previous close of Rs. 537.8 per 10 kg. The futures contract closed down at Rs. 531.35 per 10 Kg.

**MCX** refined soy oil futures fell though out trade session on increased selling interest and bearish global advice. Market also found support from weakness in crude oil. The most active **January** contract opened at Rs. 532 per 10 kg against previous closing of Rs. 537.3 per 10kg. The prices settled down at Rs.530.85 per 10 Kg.

### PRICE DRIVERS:

- Selling pressure on BMD and futures
- Good winter oilseeds crushing
- Weak crude oil induced selling pressure
- Domestic December edible oil import may around 300,000-350,000 tonnes
- Weakness in rival edible oil
- Importers are currently focusing on palm oil rather soy oil (high landing cost)
- CIF price of crude soy oil declined \$6 to \$1112/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 strong selling interest among traders with mild short covering in late session. Price breaches the strong support level near Rs. 535 and settled near next support level near Rs. 532 level. MACD and EMA remained weak for short-term. Both stochastic and RSI is falling in neutral region. Market is expected to trade down with possibility of upward movement on short covering.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	524	526	531.35	538	539
MCX-Jan	526	528	530.85	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 531; T1 near 529, T2 near 528 and put stop loss at 530.



**Agriwatch**  
D A I L Y

## ■ REFINED SOY OIL ■

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

Centres	06.12.07	05.12.07	Change
Mumbai (Soy Ref oil)+VAT	525	528	-3
Indore (Soy Ref oil)	505	506	-1
Kota (Soy Ref. Oil)+VAT	517	517	Nil
Hyderabad (Soy Ref)	530	532	-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	530.15	530.15	524.65	525.20	531.85	-6.65
NCDEX	Jan	536.30	536.30	530.80	531.35	537.80	-6.45
NCDEX	Feb	541.00	541.00	537.25	537.50	544.05	-6.55
MCX	Dec	527.20	527.20	524.00	524.40	530.35	-5.95
MCX	Jan	532.00	533.25	530.40	530.85	537.30	-6.45
MCX	Feb	539.05	540.00	536.40	537.40	543.30	-5.90
MCX	March	542.00	544.00	542.00	544.00	547.75	-3.75

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	06.12.07	05.12.07	Change
Crude Palm Oil	915	925	-10
Crude Soy Oil	1112	1116	-4
Sunflower Oil	1395	1395	Nil

## ■ PALM OIL ■

### International Highlights

#### BMD CPO Futures Fall on Crude oil

Strong selling pressure on crude palm oil futures amidst slump in crude oil and weak soy oil led to five week low at Bursa Malaysian Derivatives Exchange Thursday. Market also find bearishness from expectation of improve stocks figures in November by Malaysian Palm oil Board (MPOB). The most active February contract of crude palm oil futures fell MYR60 to MYR2,850 per tonne. Trading volume declined sharply to 9,753 lots from 13,074 lots on Thursday and open interest increased to 43,483 lots from 42,671 lots yesterday.

### Domestic Spot Market Highlights

The sluggish demand and weakness in rival edible oil pressurized the palm oil in the major trading centres. 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 thin trade, weakness in BMD CPO futures and lack of clear price direction pressurized the Indonesian palm oil market. The CIF price of crude palm oil for December shipment declined sharply on Thursday to \$915 per tonne from \$925 per tonne on Wednesday.

#### BMD: CPO Futures (06.12.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec 07	2886	2848	2848	2835	2842	-44	104
Jan 08	2903	2849	2861	2830	2832	-71	826
Feb 08	2910	2859	2871	2838	2850	-60	6829
March 08	2909	2862	2875	2843	2849	-60	1947
April 08	2912	2850	2854	2842	2854	-58	59

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	06.12.07	05.12.07	Change
Kandla CPO (5 % FFA)	446	448	-2
Kandla RBD Palmolein +VAT	482	488	-6
Mumbai RBD Palmolein +VAT	489	494	-5
Chennai RBD Palmolein +VAT	485	485	Nil
Kakinada RBD Palmolein +VAT	475	475	Nil
Hyderabad RBD Palmolein +VAT	498	500	-2
Delhi RDB Palmolein	540	540	Nil



## OTHERS

### Rape/Mustard oil

Despite firmness in mustard seeds price in the cash market, oil price traded on softer side on poor demand and weakness in others edible oil. Market also found weakness from steady to weak sentiment in Mustard DOC. However, weakness also induced by bearish mustard seeds in regional/local exchanges (Hapur, Sirsa, Delhi). This may support the sowing sentiments but acreage is likely to remain below to State target and likely to pressure the oil from spurt increase.

### Groundnut Oil

The soaring groundnut meals, which rose around 6.6% in November last week and nearly 40% to last year. This is reflecting the bullish-trends in groundnut. The groundnut oil traded down on weak demand and lackluster trade. Weakness in others edible oil also lure the losses. Price of Prices 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. The halt in outside demand low parity on exports is likely to pressure the groundnut oil in short-term.

### Refined Sunflower Oil

The follow-through weakness in crude oil and temporary weak global cues influenced refined sunflower oil to trade on softer side. 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 Thursday at \$1395 per tonne. The underlying firmness in overseas markets are likely to underpin the sunflower oil in short-term.

### Refined Cottonseeds Oil

Price of refined cottonseeds oil consolidated slightly in Rajkot on steady demand and declined elsewhere on weak demand, however trade activities remained dull. Dullness in rival edible oil also lent weakness. As per recent USDA estimation, country cotton output is likely to improve 9.33% to 23.9 million tonnes in 2007/08, mainly due to better yield in central and southern part of country.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	06.12.07	05.12.07	Change
Mumbai (Exp. Oil) +VAT	537	545	-8
Kota (Exp. Oil)+VAT	508	508	Nil
Jaipur (Exp. Oil)+VAT	518	518	Nil
Delhi (Exp. Oil)	545	545	Nil
Neewai (Exp. Oil) +VAT	509	509	Nil

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	06.12.07	05.12.07	Change
Mumbai +VAT	650	655	-5
Rajkot +VAT	655	660	-5
Hyderabad +VAT	630	635	-5
Chennai +VAT	620	620	Nil
Delhi	700	700	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	06.12.07	05.12.07	Change
Mumbai +VAT	680	690	-10
Chennai +VAT	715	715	Nil
Hyderabad	700	700	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	06.12.07	05.12.07	Change
Mumbai +VAT	512	515	-3
Hyderabad +VAT	512	515	-3
Rajkot + VAT	523	520	+3
Delhi	520	522	-2

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		06.12.07	05.12.07
USA	Dollar	39.47	39.45
European Union	Euro	57.65	58.20
Japan	100 Yen	35.57	35.75
United Kingdom	Pound Sterling	80.09	81.12



## ■ OTHERS

### PORT-WATCH (Latest):

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	<b>Stolt Vestland</b>	<b>6,000</b>	<b>G'nut oil (Export)</b>	<b>Expected (12.12.07)</b>
	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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