

REFINED SOY OIL

Dec 03, 2007

SPOT MARKET:

Despite low stocks at ports and tight supplies, soy oil traded on softer side on Saturday amidst lackluster trade and weakness on CBOT. Solvent units are reportedly maintaining their seeds purchase at current plant delivery rate (Rs. 1780-1810/qrtl) in expectation of further improvement in soy meal and oil in near-term. CBOT borrowed weakness from fall in crude oil, gold and palm oil albeit supportive USDA weekly expert report. The weekly export report of soybean and soy oil totaled at 1.118 mmt and 31,900 tonnes from trade expectation between 900,000-120,000 tonnes and 25,000-50,000 tonnes, respectively. The CIF price of crude soy oil for December shipment declined on Saturday to \$1122 per tonne from \$1130 per tonne on Friday while traded between \$1122-1142 per tonne in last week.

FUTURES MARKET:

Following weakness in soy complex futures, **NCDEX** refined soy oil futures maintained weakness on Saturday on improve selling interest among traders. However, losses were capped by strong physical fundamentals. The **January** futures contract of refined soy oil opened at Rs. 539 per 10 kg from previous close of Rs. 539.5 per 10 kg. The futures contract closed down at Rs. 538.5 per 10 kg.

MCX refined soy oil futures traded down on weak global cues and low refined soybean futures. Market also found support in expectation of improved supplies in coming days. The most active **January** contract opened at Rs. 539.6 per 10 kg against previous closing of Rs. 539.45 per 10kg. The prices settled down at Rs. 538.1 per 10 kg.

PRICE DRIVERS:

- Low soy oil stocks at port and tight supplies in domestic markets
- Weakness in soy complex on CBOT
- Supportive USDA weekly export sales report
- CIF price of CDSBO declined \$8 to \$1122 per tonne to Friday
- Firmed soybean sentiments
- Importers currently focusing on palm oil rather soy oil

WEATHER

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

TECHNICALS

Doji candlestick formation suggests indecision among traders. Rs. 538 appears as good support level and price bound back from this level and price manages to closes between 9 and 18-days EMA pointing short-term firmness in the market. MACD remain weak in positive territory. Stochastic is falling from boundary of overbought region while RSI is hovering in neutral region. Market is likely to trade down with possibility of upward movement on profit taking.

Soy Oil Refined 0801(NCRSOF8)2007/11/2/01 - Daily B:538.00 A:538.50
O 539.00 H 540.35 L 537.65 C 538.50 V 16,590 I 68,800 -1.5



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	531	532	538.5	544	546
MCX-Jan	530	532	538.1	544	546

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

SELL Near 539 T1 near 537, T2 near 536 and put stop loss at 540.

MCX Refined Soy Oil January Contract:

SELL Near 539; T1 near 537, T2 near 535 and put stop loss at 540.



■ REFINED SOY OIL

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

Centres	01.12.07	30.11.07	Change
Mumbai (Soy Ref oil)+VAT	530	532	-2
Indore (Soy Ref oil)	510	510	Nil
Kota (Soy Ref. Oil)+VAT	518	518	Nil
Hyderabad (Soy Ref)	540	540	Nil
Rajkot (Soy Ref)+Tax	526	526	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	534.90	534.90	531.80	532.60	533.95	-0.25
NCDEX	Jan	539.00	540.35	537.65	538.50	539.85	-0.25
NCDEX	Feb	545.90	546.00	544.00	544.50	545.90	-0.26
MCX	Dec	531.65	532.40	530.30	531.00	532.15	-0.22
MCX	Jan	539.60	539.90	537.25	538.10	539.45	-0.25
MCX	Feb	545.00	545.50	544.10	544.70	546.20	-0.27
MCX	March	-	-	-	550.00	550.00	0.00

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	01.12.07	30.11.07	Change
Crude Palm Oil	NA	940	-
Crude Soy Oil	1122	1130	-8
Sunflower Oil	1440	1440	Nil

■ PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Spot price of palm oil declined slightly in the last week on demand compression at higher price and moderate demand. However, the firmness in rival edible oil cushioned the palm oil to certain extent. In last week, BMD reclaimed MYR3,000 per tonne level in expectation of good export demand but the gains washout on weak exports in November by 2.8% to 1.27 mmt from 1.3 mmt in October (as per SGS figures). The most active February 08 contract of crude palm oil futures traded between MYR2,930-3,038/tonne (MYR2,930-3,044/tonne last week). In current week, crude palm oil CIF prices for December shipment traded between \$935-962/tonne (\$925-955/tonne last week).

BMD: CPO Futures (30.11.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec 07	2975	2940	2940	2916	2925	-50	58
Jan 08	2984	2943	2946	2915	2925	-59	2723
Feb 08	2990	2949	2955	2923	2930	-60	7582
March 08	2985	2948	2956	2931	2938	-47	2315
April 08	2992	2950	2950	2950	2950	-42	1

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	01.12.07	30.11.07	Change
Kandla CPO (5 % FFA)	454	456	-2
Kandla RBD Palmolein +VAT	488	488	Nil
Mumbai RBD Palmolein +VAT	495	500	-5
Chennai RBD Palmolein +VAT	490	495	-5
Kakinada RBD Palmolein +VAT	483	485	-2
Hyderabad RBD Palmolein +VAT	497	500	-3
Delhi RDB Palmolein	540	540	Nil

OTHERS

Rape/Mustard oil

Besides tight supplies and holding back activities by stockists, mustard oil traded range bound on steady demand and supplies. The weakness in mustard seeds price in regional exchanges also pressurize the oil. Market also borrowed some weakness from IMD forecast of isolated rainfall in Rajasthan from Saturday night onwards. 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

Physical price of groundnut oil declined from yesterday's weakness on improved selling of stocks by expellers. As per govt latest estimation, in Kharif season, the oilseeds output is likely to go up by 25% to 16.5-17 million tonnes against last year's 13.5-14 million tonnes. Prices of shelled groundnut of different quality remained steady on balance in demand and supply and quoted at Rs. 410-515/10kg in different markets in Gujarat on Thursday to previous day. Traders are expecting chance of further weakness in groundnut oil is less as exports has resumed.

Refined Sunflower Oil

Demand compression at higher price sparked weakness in sunflower oil in major trading centres. Currently high price of sunflower seeds and oil in world markets supported the sowing in Argentina and nearly 520,000 hectares has been planted with sunflower. The CIF price of crude sunflower oil for December shipment remains unchanged on 2nd consecutive day at \$1440 per tonne to yesterday. The domestic shortage and underlying firmness in others edible oil is likely to remain supportive to sunflower oil in near-term.

Refined Cottonseeds Oil

Despite weakness in others edible oil, price of refined cottonseeds oil traded firm on good local demand from stockists. However, the weakness in meals restricted the gains to some extent. In current year, the good exports enquiry of Indian cotton is likely to keeps firm the cotton with spill over impact in domestic oil market.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	01.12.07	30.11.07	Change
Mumbai (Exp. Oil) +VAT	550	550	Nil
Kota (Exp. Oil)+VAT	515	515	Nil
Jaipur (Exp. Oil)+VAT	524	524	Nil
Delhi (Exp. Oil)	540	540	Nil
Neewai (Exp. Oil) +VAT	514	514	Nil

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	01.12.07	30.11.07	Change
Mumbai +VAT	665	670	-5
Rajkot +VAT	675	678	-3
Hyderabad +VAT	620	620	Nil
Chennai +VAT	630	640	-10
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	01.12.07	30.11.07	Change
Mumbai +VAT	700	705	-5
Chennai +VAT	710	715	-5
Hyderabad	730	730	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	01.12.07	30.11.07	Change
Mumbai +VAT	522	528	-6
Hyderabad +VAT	525	525	Nil
Rajkot + VAT	538	544	-6
Delhi	525	528	-3

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		01.12.07	30.11.07
USA	Dollar	39.59	39.67
European Union	Euro	58.16	58.46
Japan	100 Yen	35.67	35.94
United Kingdom	Pound Sterling	81.43	81.78

■ OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Shintoku	10,000	Palm oil Product	Expected (29.11.07)
	New Toyokaze	4,000	Palm oil	Berthed (27.11.07)
	Harsanadi	14,000	Palm oil Product	Berthed (27.11.07)
	Siteam Leopard	13,500	Palm oil	Berthed (27.11.07)
	Chembulk Ulsan	16,635	Palm oil Product	Expected (29.11.07)
	Chembulk Singapore	12,420	CPO	Expected (03.12.07)
Kolkata	Olympic	6,000	CPO	Arrived (22.11.07)
	Ace-7	6,499	CPO	Arrived (23.11.07)
Mumbai	Global Triton	12,000	Palm oil Product	Berthed (27.11.07)
	New Setokaze	9,900	Palm oil Product	Arrived (24.11.07)
Tuticorin	Spring Glory	4,100	Palm oil	Expected (02.12.07)

New vessels on chart are in bold.

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