

REFINED SOY OIL

Dec 28, 2007

SPOT MARKET:

After testing all time highs of MYR3,145/tonne level, crude palm oil futures finished at MYR3,097/tonne. This was supported by surge in crude oil and 2 cents less CBOT soy oil futures from all time highs (51 cents/lb in October, 1974). Seeing this, local prices of soy oil firmed up, whereas demand remained sluggish. As per sources, due to unavailability of railway rakes, soymeal loading has affected. Considering this, solvent plants have ceased the soybean purchased in Maharashtra. Meanwhile, Indonesia has hiked the base price of crude palm oil and RBD palm olein to \$869/tonne and 917/tonne from \$862/tonne and 902/tonne, respectively in December. The new taxes will be effective from January 1-31. The basis of movement is average price of crude palm oil in Rotterdam was over \$938/tonne in the November 20-December 19th up from \$932/tonne same period on a month. While the export tax on CPO left unchanged at 10% as current price is above \$850/tonne. The CIF price of crude soy oil for January shipment rose sharply on Thursday to \$1163/tonne from \$1125/tonne on Wednesday.

FUTURES MARKET:

Record high BMD CPO futures and prospects of tight supplies rose **NCDEX** refined soy oil futures on Thursday. The good buying supports among traders were noticed. Firm tone in other edible oil aided some support. The **January** futures contract of refined soy oil opened at Rs. 548.55 per 10 kg from previous close of Rs. 546.65 per 10 kg. The futures contract closed up at Rs. 551.6 per 10 Kg to previous close.

MCX refined soy oil futures settled up after tested all time high on profit taking. However, the prospects of tight supplies prevailed in the domestic markets that are also supported the sentiments. The most active **January** contract opened at Rs. 551.55 per 10 kg against previous closing of Rs. 546.15 per 10kg. The prices settled up at Rs. 550.3 per 10 Kg from previous close.

PRICE DRIVERS:

- BMD CPO futures tested new high at MYR3,145/tonne during trade session
- CBOT soy oil futures is just 2 cents short to all time highs of 51 cents/lb
- Sluggish demand
- Unavailability of railway racks to load soymeal at ports
- Solvent plant were reluctant to purchase soybean in Maharashtra
- CIF price of crude soy oil shoot up by \$38 to \$1163/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 recovery with mild profit taking at higher level but price manage to close to all time high. EMA and MACD pattern remained firm for medium term. MACD is rising slowly in positive territory. Stochastic is fall while RSI is rising in overbought region. Prices are expecting to rise with firm bias.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	545	546	551.6	557	558
MCX-Jan	545	547	550.3	557	558

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

BUY Above 552 T1 near 554, T2 near 555 and put stop loss at 551.

MCX Refined Soy Oil January Contract:

BUY Above 551; T1 near 553, T2 near 554 and put stop loss at 550.



REFINED SOY OIL

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

Centres	27.12.07	26.12.07	Change
Mumbai (Soy Ref oil)+VAT	541	541	Nil
Indore (Soy Ref oil)	522	520	+2
Kota (Soy Ref. Oil)+VAT	528	525	+3
Hyderabad (Soy Ref)	540	540	Nil
Rajkot (Soy Ref)+Tax	540	537	+3

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	Change
NCDEX	Jan	548.55	553.15	548.55	551.60	546.65	+4.95
NCDEX	Feb	556.25	562.35	556.25	560.70	554.85	+5.85
NCDEX	March	564.00	569.50	564.00	566.25	561.85	+4.40
MCX	Jan	551.55	552.40	549.60	550.30	546.15	+4.15
MCX	Feb	560.00	562.20	559.45	560.20	554.55	+5.65
MCX	March	565.00	568.50	565.00	566.00	560.80	+5.40

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	27.12.07	26.12.07	Change
Crude Palm Oil	990	975	+15
Crude Soy Oil	1163	1125	+38
Sunflower Oil	1475	1450	+25

■ PALM OIL ■

International Highlights

BMD CPO Futures Settled All Time Highs

Overnight strong gains in CBOT and bullish fundamentals lifted crude palm oil futures to new highs at Bursa Malaysian Derivatives Exchange Thursday and futures breached the previous highs of MYR3,080/tonne. Surge in crude oil and expectation for fell in output in palm oil output in December supported the sentiments. The most active March contract of crude palm oil futures finished MYR17 up at MYR3,097 per tonne. Trading volume rose quickly to 11,104 lots from 7,459 lots Wednesday and open interest recovered to 39,927 lots from 39,757 lots yesterday.

Domestic Spot Market Highlights

Palm oil price firmed induced by surging crude oil and international market. Government has extended the ban of import of palm oil from Kochi port to all the port in Kerala. This extension was taken to protect the coconut growers in Kerala. Country imports nearly 2-3 million tonnes of palm oil annually from different ports across the nation. Continuing the ban While trade activities remained thin in Indonesia, however, palm olein firmed tracking BMD. The trade activities remained thin in Indonesia with steady demand. The crude palm oil CIF prices for January shipment increased further on Thursday to \$990/tonne from \$975 per tonne on Wednesday.

BMD: CPO Futures (27.12.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan 08	3068	3121	3140	3075	3082	+14	424
Feb 08	3075	3130	3149	3079	3088	+13	2283
March 08	3080	3132	3150	3079	3097	+17	7410
April 08	3077	3128	3144	3079	3084	+7	829
May 08	3062	3135	3135	3068	3070	+8	158

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.12.07	26.12.07	Change
Kandla CPO (5 % FFA)	467	463	+4
Kandla RBD Palmolein +VAT	504	494	+10
Mumbai RBD Palmolein +VAT	508	505	+3
Chennai RBD Palmolein +VAT	500	492	+8
Kakinada RBD Palmolein +VAT	490	488	+2
Hyderabad RBD Palmolein +VAT	508	506	+2
Delhi RDB Palmolein	545	545	Nil

OTHERS

Rape/Mustard oil

The price of mustard oil plummeted on Thursday on outpaced supplies to demand and lackluster trade. As prevailing price sellers are eagerly unloading mustard oil in the market but poor offtake affected the price. The recent survey by agriculture ministry, highlighted oilseeds has completed in 57.2 lakh hectares in the Oct 1st to Dec 14th from 64.2 lakh hectares last year. According to sources, nearly 13-14 tonnes is maintaining arrivals in major mandis. This will keep the price under control in coming days.

Groundnut Oil

Poor demand at higher price and weakness in refined cottonseeds oil pushed down the price of groundnut oil in major trading centres. However, long-term demand kept the expellers away from spurt selling. This has capped the losses to certain extent. Some weakness in added by sluggish seeds price. The price of shelled groundnut inched up on Thursday to Rs. 522 per 20 kg from 521 per 20 kg on Wednesday on steady demand from previous day in different markets of Gujarat. Traders are expecting the prevailing higher price is not suitable for good demand, so price may consolidate further in near-term.

Refined Sunflower Oil

With the weakness in crude oil, physical price of refined sunflower oil start cooling. The demand remained weak. However, CIF price firmed up reflecting underlying firmness in global markets. In Ukraine sunflower crop is also supporting the bullishness in global market. The CIF price of crude sunflower oil for January shipment increased further on Thursday to \$1475/tonne from \$1450 per tonne on Wednesday. The underlying firmness in international market and tight supplies in local markets is expecting to keep sunflower oil buoyant in near-term.

Refined Cottonseeds Oil

Spot price of refined cottonseeds oil consolidated on Thursday on steady demand and slightly tight supplies. The expectation of long-term firmness in the market is forcing expellers to unload stocks slowly into the market. This also contributed the markets. However, gains were capped with slightly weakness in meal in domestic markets. The expected uptrends in cotton and others rival edible oil likely to keep the price firm in coming days.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	27.12.07	26.12.07	Change
Mumbai (Exp. Oil) +VAT	542	542	Nil
Kota (Exp. Oil)+VAT	507	518	-11
Jaipur (Exp. Oil)+VAT	515	526	-11
Delhi (Exp. Oil)	535	535	Nil
Neewai (Exp. Oil) +VAT	505	516	-11

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	27.12.07	26.12.07	Change
Mumbai +VAT	635	640	-5
Rajkot +VAT	670	670	Nil
Hyderabad +VAT	620	620	Nil
Chennai +VAT	615	620	-5
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	27.12.07	26.12.07	Change
Mumbai +VAT	665	685	-20
Chennai +VAT	700	700	Nil
Hyderabad	705	705	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	27.12.07	26.12.07	Change
Mumbai +VAT	522	520	+2
Hyderabad +VAT	515	515	Nil
Rajkot + VAT	516	514	+2
Delhi	505	505	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		27.12.07	26.12.07
USA	Dollar	39.43	39.39
European Union	Euro	57.22	56.77
Japan	100 Yen	34.52	34.50
United Kingdom	Pound Sterling	78.40	78.02



■ OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Suzanne	10,000	Palm Product	Expected (29.12.07)
	Chemroad Vega	28,500	Palm oil Product	Expected (25.12.07)
Mumbai	Global Triton	12,000	Palm oil Product	Arrived (21.12.07)
Kolkata	Marida Prince	7,944	CPO	Arrived (20.12.07)
	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)
Chennai	Siteam Merkur	7,500	SBO	Arrived (26.12.07)

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.