

REFINED SOY OIL

Dec 24, 2007

SPOT MARKET:

The overnight bullish-trends in CBOT on surge in palm oil and crude oil lifted soybean to 34-years high. This has supported futures to all time high on Weekend. Futures coupled with steady demand strengthened the soy oil in local markets. As per sources, nearly 50-55 lakh tonnes of soybean have been arrived into market so far. Farmers with limited stocks are waiting for further higher prices (nearly 2,000/ql or above). According to Agriculture Secretariat, Argentine soybean plantation 72% completed as on December 20th, which is lowered to last year's 61%. The dry weather and insufficient soil moisture is preventing the sowing progress as well as growing crop. The CIF price of crude soy oil for January shipment consolidated on Friday to \$1112 per tonne from \$1117 per tonne on Thursday whereas remained in range of \$1105-1117 per tonne in last week. The underlying firm overseas markets and supplies constrain domestically would supportive to soy oil in near-term.

FUTURES MARKET:

Tracking bullish global advice, **NCDEX** refined soy oil futures finished all time high on Saturday 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. 548 per 10 kg from previous close of Rs. 547.05 per 10 kg. The futures contract closed up at Rs. 549.7 per 10 Kg.

MCX refined soy oil futures settled all time high on continuous buying interest. Prospects of tight supplies in domestic markets are also remains supportive to sentiments. The most active **January** contract opened at Rs. 549.7 per 10 kg against previous closing of Rs. 546.8 per 10kg. The prices settled up at Rs. 549.8 per 10 Kg.

PRICE DRIVERS:

- All time high soy oil futures
- Nearly 50-55 lakh tonnes of soybean have been arrived into the markets
- Bullish trends in CBOT soy futures turned soybean futures to 34-year high
- Attractive parity supported soybean crushing
- Lagging soybean plantation in Argentina
- Ongoing rain in Malaysia, which affected the harvesting of palm kernel
- CIF price of crude soy oil recovered on Saturday by \$10 to \$1122 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 buying interest with mild profit taking at higher level and prices close all time high. Price closed 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. Prices 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	543	545	549.7	554	555
MCX-Jan	542	544	549.8	554	555

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

BUY Above 550; T1 near 552, T2 near 553 and put stop loss at 549.

MCX Refined Soy Oil January Contract:

BUY Above 550; T1 near 552, T2 near 553 and put stop loss at 549.



■ REFINED SOY OIL ■

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

Centres	22.12.07	21.12.07	Change
Mumbai (Soy Ref oil)+VAT	537	534	+3
Indore (Soy Ref oil)	515	513	+1
Kota (Soy Ref. Oil)+VAT	525	518	+7
Hyderabad (Soy Ref)	535	530	+5
Rajkot (Soy Ref)+Tax	535	532	+3

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	Change
NCDEX	Jan	548.00	551.20	548.00	549.70	547.05	+2.65
NCDEX	Feb	555.55	558.90	555.55	556.75	554.60	+2.15
NCDEX	March	562.00	564.00	561.50	562.50	560.45	+2.05
MCX	Jan	549.70	550.80	548.50	549.80	546.80	+3.00
MCX	Feb	556.50	558.55	555.70	556.90	554.45	+2.45
MCX	March	563.90	563.90	561.15	563.20	558.40	+4.80

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	22.12.07	21.12.07	Change
Crude Palm Oil	NA	950	-
Crude Soy Oil	1122	1112	+10
Sunflower Oil	1400	1400	Nil

■ PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

In a sugar industry event, a government official clued that import duties on edible oil will be review as edible oil price is rising in international markets, which is reversal of December 19th decision.. Recently, Agriculture Minister, Sharad Pawar mentioned that government has no plan to reduce the import duties on edible oil. The ongoing rain has affected the palm kernel harvesting and transports in Malaysia. The damp surface is starting to rot the harvested palm fruit. The most active March contract of crude palm oil futures traded between MYR2,962-2,992/tonne (MYR2,870-2,930/tonne last week). In current week, crude palm oil CIF prices for January shipment traded between \$940-950/tonne (\$920-940/tonne last week).

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	22.12.07	21.12.07	Change
Kandla CPO (5 % FFA)	460	458	+2
Kandla RBD Palmolein +VAT	494	494	Nil
Mumbai RBD Palmolein +VAT	500	498	+2
Chennai RBD Palmolein +VAT	492	490	+2
Kakinada RBD Palmolein +VAT	484	482	+2
Hyderabad RBD Palmolein +VAT	500	498	+2
Delhi RDB Palmolein	550	540	+10

OTHERS

Rape/Mustard oil

Mustard oil traded the gains in seed in cash market, which firmed up following firm edible oil prices in domestic and in international market. Mostly firmed regional/local exchanges (Hapur, Sirsa & Delhi) also supported the sentiments. In upcoming Rabi season, NAFED is expecting, the procurement would be thin as acreage in low and weather is also not supportive. All the above the MSP hiked by government is less to Wheat and Chana, which is competitive to mustard as all sown in same season.

Groundnut Oil

Prices of groundnut oil traded in bullish tone on unchanged demand to yesterday. Due to heavy rainfall in parts in Tamil Nadu, nearly 600 hectares land with Rabi groundnut has been submerged in Ariyalur district. The Rabi groundnut plantation is on in Tamil Nadu. Anticipating long-term firmness in groundnut oil, expellers were reluctant to sell off at cheaper rate. While cheaper availability of cottonseeds oil lowered the expected good demand of groundnut oil by the retailers. The price of shelled groundnut improved no Saturday to 521 per 20 kg from Rs. 518 per 20 kg from yesterday in different markets of Gujarat.

Refined Sunflower Oil

Physical price of refined sunflower oil artificially firmed up on steady demand and supplies, however firmness in crude oil remain supportive. As the world stock of sunflower is short, which subduing the weakness, expecting earlier by traders. As current prices of CIF are hovering above \$1400 per tonne level, which aided supported the sentiments. The CIF price of crude sunflower oil for January shipment remained unchanged on Saturday to at \$1400 per tonne to previous close.

Refined Cottonseeds Oil

The sharp gains in soy oil futures has spill over impact in domestic markets and price of refined cottonseeds oil firmed up, however, demand remained steady. Buyers were stayed away as current price is quite high and waiting for correction prior to raise their demand. Demand from their end also remained dull. The weak tone in cotton meals capped the gains to certain extent. Traders declined the weakness in the markets on underlying firmness in others edible oil.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	22.12.07	21.12.07	Change
Mumbai (Exp. Oil) +VAT	546	540	+6
Kota (Exp. Oil)+VAT	516	510	+6
Jaipur (Exp. Oil)+VAT	524	518	+6
Delhi (Exp. Oil)	540	540	Nil
Neewai (Exp. Oil) +VAT	514	508	+6

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	22.12.07	21.12.07	Change
Mumbai +VAT	640	635	+5
Rajkot +VAT	675	675	Nil
Hyderabad +VAT	620	615	+5
Chennai +VAT	620	620	Nil
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	22.12.07	21.12.07	Change
Mumbai +VAT	680	670	+10
Chennai +VAT	690	695	-5
Hyderabad	695	690	+5

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	22.12.07	21.12.07	Change
Mumbai +VAT	520	520	Nil
Hyderabad +VAT	518	515	+3
Rajkot + VAT	518	515	+3
Delhi	510	510	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		22.12.07	21.12.07
USA	Dollar	39.34	39.29
European Union	Euro	56.49	56.47
Japan	100 Yen	34.49	34.67
United Kingdom	Pound Sterling	78.01	78.05

OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Celestia	11,000	Palm oil	Arrived (14.12.07)
	Shamrock Venus	7,500	G'nut oil	Expected (21.12.07)
	Suzanne	10,000	Palm Product	Expected (25.12.07)
	Chemroad Vega	28,500	Palm oil Product	Expected (22.12.07)
Mumbai	Global Triton	12,000	Palm oil Product	Expected (21.12.07)
Kolkata	Eternal Glory	6,500	CPO	Arrived (15.12.07)
	Global Trader	4,750	CPO	Arrived (15.12.07)
	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)

New vessels on chart are in bold.

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