

■ REFINED SOY OIL

■ Dec 21, 2007

SPOT MARKET:

Recovery in CBOT and firmness in rival edible oil has strengthened futures and spot market. Price of soy oil firmed up in Indore amidst good demand from Gujarat. Whereas other market remained range bound on thin trade. The good realization of soy oil on crushing of soybean supported the sentiments. The ongoing rain has affected the palm kernel harvesting and transports in Malaysia. As well as wetness is starting to rot the harvested palm fruit. Besides, severe rains has forecasted in several palm oil producing region, which will keep BMD buoyant in coming days. The CIF price of crude soy oil for January shipment gains sharply on Thursday to \$1117 per tonne from \$1108 per tonne on Wednesday.

FUTURES MARKET:

Tracking bullish global advice, **NCDEX** refined soy oil futures finished up Thursday 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. 543 per 10 kg from previous close of Rs. 541.9 per 10 kg. The futures contract closed up at Rs. 543.5 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. 543 per 10 kg against previous closing of Rs. 541.6 per 10kg. The prices settled up at Rs. 543.2 per 10 Kg.

PRICE DRIVERS:

- Government has no plan to reduce import duty on edible oil
- Support from good buying of soybean by solvent plants
- Good buying of soy oil by stockists and resellers
- Attractive parity supported soybean crushing
- Ongoing rain in Malaysia, which affected the harvesting of palm kernel
- CIF price of crude soy oil rose \$9 to \$1117 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 indecision among traders and traded sideways at higher level. Price closes above 9 and 18 days EMA, which remained firmed for medium term. MACD is attempts for bullish crossover in positive territory, so further upward movement from current level cannot be ruled out. Both stochastic and RSI is rising in the neutral region. Market is likely to trade range bound with firm bias.

**SUPPORT / RESISTANCES:**

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	537	538	543.5	547	548
MCX-Jan	537	538	543.2	547	548

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil January Contract:

BUY Above 543 T1 near 545, T2 near 546 and put stop loss at 542.

MCX Refined Soy Oil January Contract:

BUY Above 5432; T1 near 544, T2 near 546 and put stop loss at 539.



REFINED SOY OIL

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

Centres	20.12.07	19.12.07	Change
Mumbai (Soy Ref oil)+VAT	534	532	+2
Indore (Soy Ref oil)	512	512	Nil
Kota (Soy Ref. Oil)+VAT	516	516	Nil
Hyderabad (Soy Ref)	530	525	+5
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	537.00	538.00	535.50	536.00	535.50	+0.50
NCDEX	Jan	543.00	545.00	542.50	543.50	541.90	+1.60
NCDEX	Feb	549.00	551.60	548.25	550.00	547.55	+2.45
NCDEX	March	554.70	556.70	552.95	555.15	553.00	+2.15
MCX	Jan	543.00	544.70	542.30	543.20	541.60	+1.60
MCX	Feb	549.05	552.80	548.40	549.80	547.40	+2.40
MCX	March	554.90	555.50	554.90	555.45	552.40	+3.05

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	20.12.07	19.12.07	Change
Crude Palm Oil	NA	942	-
Crude Soy Oil	1117	1108	+9
Sunflower Oil	1413	1380	+33

■ PALM OIL

International Highlights

BMD CPO Futures Remained Closed Thursday on Celebration of ID-UI-Zuha.

Domestic Spot Market Highlights

Due to Id-UI-Zuha, BMD remained closed but domestic market firmed up in prospects of tight supplies and firmness in rival edible oil. As many vessels are reported at ports, which will replenish the domestic supplies. Recently NAFED has declared to import nearly 4,000 tonnes of crude palm oil in January first week. 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.

BMD: CPO Futures (19.12.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan 08	2936	2936	2967	2936	2958	+22	632
Feb 08	2948	2944	2978	2944	2958	+10	2352
March 08	2950	2950	2982	2946	2962	+12	4042
April 08	2950	2947	2979	2947	2966	+16	456
May 08	2952	2949	2974	2949	2962	+10	91

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	20.12.07	19.12.07	Change
Kandla CPO (5 % FFA)	457	455	+2
Kandla RBD Palmolein +VAT	494	488	+6
Mumbai RBD Palmolein +VAT	496	497	-1
Chennai RBD Palmolein +VAT	490	488	+2
Kakinada RBD Palmolein +VAT	482	478	+4
Hyderabad RBD Palmolein +VAT	495	490	+5
Delhi RDB Palmolein	540	540	Nil

OTHERS

Rape/Mustard oil

Despite weakness in seeds on good arrivals, local price of mustard oil traded range bound on balance in demand and supplies. Market also found weakness in expectation of good deliveries on NCDEX. However, weakness in capped by firmed seeds on regional exchanges (Hapur, Sirsa and Delhi). The mustard acreage translation to others remunerative crops has provided the long term bullish fundamentals which, will restrict the downside.

Groundnut Oil

Physical price of groundnut oil remained in bullish tone on outpaced supplies to demand and firming seeds price. The good realization of oil on groundnut seeds crushing remains supportive in the market. In expectation of groundnut seeds and oil would remain firm in lean season, stockists and resellers maintained their buying at current level. The price of shelled groundnut remained range bound on Thursday to Rs. 518 per 20 kg from yesterday in different markets of Gujarat. Underlying firmness in refined cottonseeds oil would support the groundnut oil in coming days.

Refined Sunflower Oil

With the rise in crude oil, price of refined sunflower oil firmed up. However, demand remained steady. Firmness in others edible oil also contributed to the sentiments. The CIF rose sharply, which also supported the sunflower oil. The CIF price of crude sunflower oil for December shipment increased on Wednesday to \$1380 per tonne from \$1373 per tonne on Tuesday. Traders are expecting sunflower oil to rise further amidst underlying firmness in overseas markets and tight supplies.

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	20.12.07	19.12.07	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	20.12.07	19.12.07	Change
Mumbai +VAT	635	635	Nil
Rajkot +VAT	675	670	+5
Hyderabad +VAT	615	615	Nil
Chennai +VAT	610	610	Nil
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	20.12.07	19.12.07	Change
Mumbai +VAT	665	660	+5
Chennai +VAT	680	680	Nil
Hyderabad	690	680	+10

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	20.12.07	19.12.07	Change
Mumbai +VAT	518	516	+2
Hyderabad +VAT	515	510	+5
Rajkot + VAT	515	516	-1
Delhi	510	505	+5

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		20.12.07	19.12.07
USA	Dollar	39.57	39.55
European Union	Euro	56.85	57.02
Japan	100 Yen	34.96	34.92
United Kingdom	Pound Sterling	78.93	79.62

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.