

## REFINED SOY OIL

Dec 17, 2007

### SPOT MARKET:

Physical price of soy oil recovered on Saturday on firmness in rival edible oil and tight supplies. But weakness in crude oil mixed CBOT capped the gains to certain extent. Although soybean crushing is in full swing, solvent plants are reluctant to sell off soy oil cheaply amidst recuperating futures and anticipating for long-term firmness in the markets. With the rainfall earlier in the week in Madhya Pradesh and Rajasthan, rapeseeds acreage is likely to improve from 5 mmt (earlier estimates) to 5.2-5.3 mmt. This will be crucial in determining the soy oil import fate in lean season in 2007/08 oil year (Nov-Dec). However, traders are expecting the imports will be around 5.5 mmt. In 2006/07, total import was 4.7 mmt. As weather become favorable, Brazilian soybean paced up and 95% completed as on December 11th up from 89% last week's and in line with last year. The CIF price of crude soy oil for December shipment firmed up slightly on Saturday to \$1107 per tonne from \$1106 per tonne on Friday while remained in range of \$1106-1120/tonne in the week.

### FUTURES MARKET:

Despite mixed global advice, **NCDEX** refined soy oil futures finished up Saturday on follow through 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. 537.9 per 10 kg from previous close of Rs. 536.65 per 10 kg. The futures contract closed up at Rs. 540.4 per 10 Kg.

**MCX** refined soy oil futures settled up renewed buying interest and firm tone in CBOT soy futures. Prospects of tight supplies in domestic markets are also remains supportive to sentiments. The most active **January** contract opened at Rs. 538 per 10 kg against previous closing of Rs. 536.6 per 10kg. The prices settled up at Rs. 540 per 10 Kg.

### PRICE DRIVERS:

- Kharif oilseeds crushing in full swing
- Improving rapeseeds/mustard production projection
- Pressure from crude oil and weakness in rival edible oil
- In line Brazilian soybean plantation (95% completed) to last year
- Poor demand and subdued trade
- Edible oil import in 2007/08 oil year will be around 5.5 mmt
- Supportive weather conditions for growing soybean in South America
- CIF price of crude soy oil recovered slightly (\$1) to \$1107 per tonne

### WEATHER

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

### TECHNICALS

Price gapped open and showed strong buying by forming hollow candlestick. Price closed sharply high and closed above short and medium term firmness. MACD remain weak in the positive territory. Both stochastic and RSI is rising in neutral region. Price is likely to improve further with possibility of last downward movement on profit taking.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	532	534	540.4	546	547
MCX-Jan	532	534	540	546	547

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil January Contract:**

**BUY** Above 540 T1 near 542, T2 near 544 and put stop loss at 541.

**MCX Refined Soy Oil January Contract:**

**BUY** Above 540; T1 near 542, T2 near 544 and put stop loss at 541.



## ■ REFINED SOY OIL ■

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

Centres	15.12.07	14.12.07	Change
Mumbai (Soy Ref oil)+VAT	530	530	Nil
Indore (Soy Ref oil)	502	499	+3
Kota (Soy Ref. Oil)+VAT	515	515	Nil
Hyderabad (Soy Ref)	522	518	+4
Rajkot (Soy Ref)+Tax	530	528	+2

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	Change
NCDEX	Dec	531.00	548.90	530.90	534.20	529.60	+4.60
NCDEX	Jan	537.90	540.65	537.20	540.40	536.65	+3.75
NCDEX	Feb	545.80	548.00	545.00	548.00	543.70	+4.30
NCDEX	March	552.00	552.90	551.10	552.15	549.50	+2.65
MCX	Jan	538.00	540.65	537.50	540.00	536.60	+3.40
MCX	Feb	551.90	551.90	544.90	546.50	543.40	+3.10
MCX	March	552.00	552.00	552.00	552.00	546.00	+6.00

### CIF Price Basis Kandla Port (\$/MT)

Edible Oil	15.12.07	14.12.07	Change
Crude Palm Oil	NA	940	-
Crude Soy Oil	1107	1106	+1
Sunflower Oil	1385	1395	-10

## ■ PALM OIL

### International Highlights

**BMD CPO Futures Remained Closed on Saturday.**

### Domestic Spot Market Highlights

Malaysian palm oil stocks in November reached to new record to 1.8 mmt surpassed previous records (September, 2006) of 1.79 mmt. This and weakness in crude oil has depressed BMD with spill over impact in domestic markets. However, market firmed up on underlying firmness in domestic market. The most active February 08 contract of crude palm oil futures traded between MYR2,868-2,926/tonne (MYR2,850-2,926/tonne last week). In current week, crude palm oil CIF prices for December shipment traded between \$920-940/tonne (\$915-927/tonne last week).

### BMD: CPO Futures (14.12.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec 07	2911	2920	2950	2915	2920	+9	45
Jan 08	2910	2905	2922	2905	2916	+6	305
Feb 08	2920	2920	2933	2916	2926	+6	2102
March 08	2930	2924	2936	2919	2930	0	1373
April 08	2935	0	2935	0	2935	0	0

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	15.12.07	14.12.07	Change
Kandla CPO (5 % FFA)	454	450	+4
Kandla RBD Palmolein +VAT	485	481	+4
Mumbai RBD Palmolein +VAT	492	488	+4
Chennai RBD Palmolein +VAT	480	480	Nil
Kakinada RBD Palmolein +VAT	475	472	+3
Hyderabad RBD Palmolein +VAT	494	490	+4
Delhi RDB Palmolein	540	540	Nil

## OTHERS

### Rape/Mustard oil

Physical price of mustard oil remained range bound on balance in demand and supplies and thin trade. IMD forecast of dry weather in coming week would diminish the possibility of speedy recovery of lagging plantation. As per government latest Rabi sowing figures, rape/mustard seeds sowing is completed in 57.26 lakh tonnes as on December 14 from 55.94 lakh hectares on December 7th and 64.27 lakh tonnes, last year. However, traders are optimist for further firmness in coming days as winter progresses.

### Groundnut Oil

The steady demand and holding back stocks with stockists has strengthened groundnut oil in Rajkot with spill over impact in others markets. As per government latest Rabi sowing figures, groundnut sowing, which is completed in 3.46 lakh tonnes on December 14th from 3.28 lakh hectares a week ago and 3.64 lakh hectares last year. Price of shelled groundnut of has firmed up slightly on Saturday to Rs. 517 per 20 kg from Rs. 515 per 20 kg on Friday in different markets of Gujarat. Expectation of spurt in local demand has lowered expeller's interest to unload at cheaper rate.

### Refined Sunflower Oil

Despite weakness in crude oil, price of refined sunflower oil traded on higher side. However, demand remained steady. As per government latest Rabi sowing figures, Sunflower seeds sowing remained in 8.3 lakh hectares on December 14th v/s 7.84 lakh hectares a week ago and 9.86 lakh hectares last year. The CIF price of crude sunflower oil for December shipment increased on Thursday to \$1395 per tonne from \$1390 per tonne on Wednesday. The weakness in rival edible oil would check on sunflower oil in short-term.

### Refined Cottonseeds Oil

Refined cottonseeds oil traded on higher side on steady demand and tracking firmness in groundnut oil as both share same markets and having nearly Rs. 150 difference in same market. According to trade sources, cotton arrivals in Haryana is likely around 20.52 lakh qtl up from 20.02 lakh qtl last year.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	15.12.07	14.12.07	Change
Mumbai (Exp. Oil) +VAT	535	525	+10
Kota (Exp. Oil)+VAT	500	500	Nil
Jaipur (Exp. Oil)+VAT	510	510	Nil
Delhi (Exp. Oil)	525	525	Nil
Neewai (Exp. Oil) +VAT	498	498	Nil

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	15.12.07	14.12.07	Change
Mumbai +VAT	630	630	Nil
Rajkot +VAT	670	660	+10
Hyderabad +VAT	620	620	Nil
Chennai +VAT	610	610	Nil
Delhi	700	700	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	15.12.07	14.12.07	Change
Mumbai +VAT	655	655	Nil
Chennai +VAT	680	675	+5
Hyderabad	680	680	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	15.12.07	14.12.07	Change
Mumbai +VAT	512	507	+5
Hyderabad +VAT	510	500	+10
Rajkot + VAT	515	512	+3
Delhi	507	500	+7

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		15.12.07	14.12.07
USA	Dollar	39.35	39.35
European Union	Euro	56.76	57.62
Japan	100 Yen	34.74	35.00
United Kingdom	Pound Sterling	79.48	80.36

## 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	Arrived (27.11.07)
Tuticorin	K Sliver	1,000	Palm oil	Expected (14.12.07)
	Starling	8,500	Palm oil	Expected (17.12.07)
Kolkata	Global Venus	7,000	CPO	Arrived (13.12.07)
	Pacific Sound	9,300	CPO	Arrived (13.12.07)
	<b>Eternal Glory</b>	<b>6,500</b>	<b>CPO</b>	<b>Expected (15.12.07)</b>
	<b>Global Trader</b>	<b>4,750</b>	<b>CPO</b>	<b>Expected (15.12.07)</b>

**New vessels on chart are in bold.**

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