

RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price trend continue to remain ranged. Scenario has barely shifted.
- ✓ Neither bulls nor bears have a clear majority. Give importance to support and resistance points.
- ✓ 640-650 is the relevant trading band for the price, now and drift in either direction will take it further in the respective same.
- ✓ 647-650 on the higher side becomes the relevant resistance zone.
- ✓ Note that, 640 is a significant support, until it sustains, bulls may bounce back, below the same, profit taking is likely to extend.
- ✓ While low risk traders may avoid trade near current juncture. Higher risk traders may play according to the levels.

Trade Recommendation-RSBO NCDEX (February)

Call	Entry	T1	T2	SL
SELL BELOW	640	637	635	644
Support & Resistance				
S2	S1	PCP	R1	R2
635	640	645.55	649	652



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price trend remain ranged. Profit taking may extend but bounce back may happen from supports.
- ✓ 561 remains the nearest reliable support on the lower side, while 573 on the higher side becomes an important resistance point.
- ✓ 560-570 becomes the current trading band for the price; drift in either direction will take it further in the respective same.

Trade Recommendation - CPO MCX (February)

Call	Entry	T1	T2	SL
WAIT	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
557	561	566.80	568	573



Veg Oil Summary

- ✚ Vegetable oil market takes a breather. Correction hinder as demand gets confronted by higher price level, however lower Veg oil imports and demand outlook for the season is likely to back the strength.
- ✚ Much of the support is derived from international peers which remain supported by grown up Chinese Soy demand and dry weather in Argentina. Correction in them at higher levels affects the price walk, although.
- ✚ Rains are being anticipated for Argentina and Brazil but their sufficiency remains doubtful.

Port Watch

Port	Vessel Name	Volume(MT)	Commodity	Status
Kandla	Mt. Liquid Gold	12500	Palm Oil	Vessel at Anchor Awaiting Berth
	Mt. Royal Crystal 7	4000	CPO	Vessel Expected to Arrive Port
	Mt. Liquid Silver	12500	CPO	Vessel at Berth For Discharging
	Samho Sapphire	11713	CPO	Vessel Expected to Arrive Port
	Mt. Harati	6000	Palm Oil	Vessel at Berth For Discharging
Kakinada	Mt. G S Grnad	6000	Edible Oil	Vessel Expected to Arrive Port
	Mt Amsterdam	8000	Edible Ol	Vessel Expected to Arrive Port
	Taurus	6500	Edible Oil	Vessel at Berth For Discharging
	Palma Prima	8300	Edible Oil	Vessel Expected to Arrive Port
Chennai	Sun Bridge	5000	Palm Oil	Vessel at Berth For Discharging
	Au Aries	10880	CSFO	Vessel Expected to Arrive Port
	Royal Jasper	7000	Palm Oil	Vessel at Berth For Discharging
	Grace	12319	CSFO	Vessel Expected to Arrive Port
	Niluder Sultan	10000	CSFO	Vessel at Anchor Awaiting Berth
	Sp Amsterdam	3000	Palm Oil	Vessel Expected to Arrive Port
	Ubt Ocean	8500	Palm Oil	Vessel at Berth For Discharging

Fundamental Analysis:

Soy oil price remain steady to lower in the spot market. CBOT Soy complex plunged lower in another session and continue to send weak cues. Fears of index fund selling, a mixed forecast for weather in Argentina and fears that China will continue to make tightening policy moves ahead helped to drive the market lower overnight. A strong dollar added to the negative tone.

Likely Market driver: Strong Chinese export demand for U.S. soybeans may prompt U.S. Department of Agriculture to trim its forecast of U.S. soybean ending stocks in next edition of monthly report due on Jan. 12

- Domestically, Soy Crush margins increased further as Soybean price continue to slip along with mild downside registered in Soy oil price. Soy arrivals in Madhya Pradesh stand at 2 lakh bags on the day and 5000 bags in Indore Mandi.
- Upbeat Soy meal export demand as depicted by the recent data, is a supportive factor for the Soy market. Squeezed differential between Soy oil and Palm oil, increase prospects for Soy oil imports, although better import parity is eyed.
- India doesn't have any plan to impose an import duty on crude edible oils or to raise the tax on refined edible oils as put by a senior food ministry official. India import nearly 50% of edible oil requirement.
- Net weekly export sales for US Soybeans came in at 489,300 metric tonnes for the current marketing year and 63,400 for the next marketing year for a total of 552,700. China old crop sales exceeded the net total for the week but there was a cancellation of 215,300 tonnes to unknown destination.
- Brazil 10/11 soy crop is in good shape. After an uneasy start of the season due to below-average rains, Brazil's 2010/11 soy crop is developing fine and could exceed last season's record output as put by the government's crop supply agency Conab. The crop, was estimated at 68.55 million tonnes, unchanged from a previous forecast.

Soy oil price may stay range bound as corrective dips may remain part as higher prices are likely to cap demand however higher meal demand facilitate higher crush which stand supportive, although oil supplies will increase as a result and offset some of the impact. International markets also remain upbeat on squeezing Veg oil supplies, which affect us alike.

- ❖ **Palm Oil price slipped lower in the spot market. Malaysia's crude palm oil futures fell on Friday as traders squared profits amid losses in overseas soy complex the previous session, although worries over a supply shortage remain indicative of available support.**
- ❖ Malaysia's palm oil stocks data and USDA monthly supply and demand report are due next week. Concerns of tight palm oil supplies in Malaysia due to the rains have lifted cash prices, prompting traders to ship in cheaper, more ample variety from Indonesia for Malaysia's refining industry.
- ❖ A Reuter's poll showed Malaysian palm oil stocks fell to a five-month low as overseas demand outpaced sluggish output.

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		08-01-11	07-01-11	
Refined Soybean Oil	Mumbai +VAT	612	615	-3
	Indore	598	600	-2
	Rajkot + VAT	595	595	-
Palm Oil	Kandla CPO (5%FFA)	557	557	-
	Mumbai RBD Pamolein+ VAT	590	592	-2
	Mumbai + VAT	705	710	-5
Refined Sunflower Oil	Chennai + VAT	720	725	-5
	Mumbai + VAT	775	785	-10
Groundnut Oil	Rajkot + VAT	745	760	-15
	Kota +VAT	580	580	-
Rapeseed Oil	Jaipur + VAT	591	590	+1
	Delhi	618	622	-4
Refined Cottonseed Oil	Mumbai + VAT	595	598	-3
	Rajkot + VAT	590	590	-

*Indicates all paid price

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