

## REFINED SOY OIL

Sept 24<sup>th</sup>, 2007

### SPOT MARKET:

Steady demand and hold back stocks with stockists helped physical prices of refined soy oil to trade on higher side. As per recent trades estimation, the recent rainfall in major soybeans producing areas may witnessed the record soybean output, which is now expecting at 9.04 mmt, up from 8.85 mmt last year. Indian Union Ministry of Environment and Forest exempted the uses as well as imports of GM (Genetically Modified) foods from prior regulatory approval till union ministry set up a new authority to monitor the imports, uses, manufacturing and exports of GM food stuff. This will smooth the imports of GM soy oil from exporting nations like Argentina, which largely grows the GM soybean. Crude soy oil CIF prices for September shipment declined further on Saturday to \$930 per tonne from \$935 per tonne on Friday. While traded in range of \$930-942 per tonne during the last week.

### FUTURES MARKET:

Profit booking and bears run in CBOT, supported **NCDEX** refined soy oil futures on Saturday. The current unclear prices direction also added the bearish undertone. The most active **October** futures contract of refined soy oil futures opened at Rs. 489.60 per 10 kg to previous closing at Rs.490.05 per 10 kg. The contract settled down at Rs. 488 per 10 Kg to previous close.

With bearish fundamentals and overseas markets of related commodities triggered weakness for **MCX** refined soy oil futures. The **October** futures contract opened at Rs. 490.75 per 10kg against yesterday closing of Rs. 490.25 per 10kg. The prices closed down at Rs. 489 per 10 Kg to yesterday closing.

### PRICE DRIVERS:

- Government Exempted the use and import of GM food stuff
- Country is expecting record soybeans harvest near 9.04mmt
- Hold back of soy oil stocks with stockists
- Strengthening rupees against dollar
- Firm tone in others edible oil
- Crude soy oil CIF prices decline further by \$5 to \$930 per tonne

### WEATHER

Weather is conducive for good growth of soybean crop.

### TECHNICALS

Dark candlestick with lower shadow suggests buying pressure at lower level. EMA patterns remain medium-term firm. MACD is rising slowing in the positive zone. Stochastic made bearish crossover in overbought region, while RSI is falling in neutral region. Volume declined and open interest increased. Prices are likely to move up cautiously with weak bias.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	484	486	488	495	497
MCX-Oct.	484	486	489	496	497

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil October Contract:**

**BUY** Near 489; T1 near 491, T2 near 492 and put stop loss at 488.

**MCX Refined Soy Oil October Contract:**

**BUY** Near 490; T1 near 492, T2 near 4493 and put stop loss at 489.



## ■ REFINED SOY OIL ■

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

Centres	22.09.07	21.09.07	Change
Mumbai (Soy Ref oil)+VAT	475	475	Nil
Indore (Soy Ref oil)	465	464	+1
Kota (Soy Ref. Oil)+VAT	463	463	Nil
Hyderabad (Soy Ref)	495	495	Nil
Rajkot (Soy Ref)+Tax	460	460	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	489.60	490.50	487.30	488.00	490.05	-0.42
NCDEX	Nov	485.20	486.20	483.40	483.80	486.50	-0.55
NCDEX	Dec	488.55	489.15	487.00	487.80	490.10	-0.47
MCX	Oct	490.75	490.75	488.00	489.00	490.25	-0.25
MCX	Nov	485.10	485.10	483.10	484.10	486.05	-0.40
MCX	Dec	488.95	488.95	487.45	488.00	489.35	-0.28
MCX	Jan	-	-	-	492.00	492.00	0.00

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

Edible Oil	22.09.07	21.09.07	Change
Crude Soy Oil	930	935	-5
Crude Palm Oil	832	830	+2
Sunflower Oil	1328	1333	-5

## ■ PALM OIL

### International Highlights

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

### Domestic Spot Market Highlights

The steady flow of supplies from stockists and sluggish demand witnessed the lower side in domestic markets. As per reports, despite costlier duty-free imports of vanaspati of Sri Lankan origin, India government fixed the quota at 312,000 tonnes for current financial year ending in March 2008. Earlier the quota was at 250,000 tonnes annually and later, additional 62,000 tonnes added as modalities of import worked out to sum up 312,000 tonne. The CIF prices of crude palm oil for October shipment increased slightly on Saturday to \$832 per tonne from \$830 per tonne on Friday. Current higher crude oil prices are fuelling the sentiments of bio diesel in overseas markets but higher CPO prices too could lower the dependency on palm oil.

#### BMD: CPO Futures (21.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2595	2598	2602	2581	2588	-7	666
Nov 07	2575	2590	2590	2566	2579	+4	1726
Dec 07	2571	2584	2584	2556	2569	-2	3701
Jan 08	2560	2571	2571	2547	2558	-2	645
Feb 08	2558	2545	2550	2540	2550	-8	32

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.09.07	21.09.07	Change
Kandla CPO (5 % FFA)	418	420	-2
Kandla RBD Palmolein +VAT	456	458	-2
Mumbai RBD Palmolein +VAT	452	452	Nil
Chennai RBD Palmolein +VAT	462	462	Nil
Kakinada RBD Palmolein +VAT	450	448	+2
Hyderabad RBD Palmolein +VAT	464	464	Nil
Delhi RDB Palmolein	495	495	Nil

## OTHERS

### Rape/Mustard oil

The spot prices of mustard oil traded mostly on softer side on poor demand and improved selling pressure from buyers in Rajasthan region. The sentiments for meals are firmed but the poor demand in oil even in these festival days has mixed reaction domestically. The underlying weakness in other edible oil also lent weakness. Current outpaced supplies to demand are likely to support the bears in coming days.

### Groundnut Oil

Physical prices of groundnut oil traded mostly range bound on balance in demand and supplies and lack of supportive news. The production of country most important oilseeds crop in term of oil and volume is estimated at 5.18 mmt up from 3.28 mmt last year. The shelled groundnut in different markets in Gujarat remained unchanged on Saturday and traded between Rs. 410-560 per 20 kg. The underlying weakness in other edible oil is likely to force the groundnut oil to trade steady to slightly weak in near term.

### Refined Sunflower Oil

The costlier crude oil and spiraling CIF prices helped supported physical prices of refined sunflower oil. The possibility of imposition of export quota by Ukraine government on sunflower seeds and oil had bullish impact in global markets with spill over impact in domestic markets. The CIF prices of sunflower oil for October shipment declined on Saturday to \$1328 per tonne from \$1333 per tonne on Friday. The delay sunflower sowing in Argentina would reflect bullishness in the domestic market in near-terms.

### Refined Cottonseeds Oil

Sluggishness in others edible oil spurred weakness in physical prices of refined cottonseeds oil. The trader's waiting for fresh arrivals that is likely to start in next month in full swing, supported the shallow trading domestically. Traders are expecting further correction in prices in coming days is likely due to harvest pressure from Tamil Nadu and underlying weakness in other edible oil.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	22.09.07	21.09.07	Change
Mumbai (Exp. Oil) +VAT	486	486	Nil
Kota (Exp. Oil)+VAT	462	462	Nil
Jaipur (Exp. Oil)+VAT	470	472	-2
Delhi (Exp. Oil)	500	500	Nil
Neewai (Exp. Oil) +VAT	461	461	Nil

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	22.09.07	21.09.07	Change
Mumbai +VAT	720	720	Nil
Rajkot +VAT	800	800	Nil
Hyderabad +VAT	685	685	Nil
Chennai +VAT	675	670	+5
Delhi	760	760	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	22.09.07	21.09.07	Change
Mumbai +VAT	580	575	+5
Chennai +VAT	595	590	+5
Hyderabad	585	580	+5

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	22.09.07	21.09.07	Change
Mumbai +VAT	487	487	Nil
Hyderabad +VAT	495	495	Nil
Rajkot + VAT	490	494	-4
Delhi	484	480	+4

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		22.09.07	21.09.07
USA	Dollar	39.87	39.87
European Union	Euro	56.17	56.19
Japan	100 Yen	34.52	34.74
United Kingdom	Pound Sterling	80.57	80.11

## ■ OTHERS

### PORT-WATCH (Latest):

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Bow Plata	8,000	CPO	Berthed (19.09.07)
	Rosa Tomasos	20,000	CDSBO	Expected (24.09.07)
	<b>Maersk Belfast</b>	<b>16,990</b>	<b>CDSBO</b>	<b>Expected (24.09.07)</b>
	<b>Southern Condor</b>	<b>10,000</b>	<b>Palm oil Product</b>	<b>Expected (03.10.07)</b>
New Manglore	World Magesty	7,000	CPO	Expected (19.09.07)
	<b>Rosa Tomosos</b>	<b>7,000</b>	<b>CDSBO</b>	<b>Berthed (21.09.07)</b>
Mumbai	Global Triton	12,000	Palm oil Product	Expected (24.09.07)
	Chem Cosmos	4,000	RBD Palm olein	Expected (24.09.07)
Tuticorin	<b>Starling</b>	<b>8,350</b>	<b>Palm oil</b>	<b>Arrived (24.09.07)</b>

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

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