

## REFINED SOY OIL

Sept 29<sup>th</sup>, 2007

### SPOT MARKET:

Sharp gains in CBOT boosted BMD with spill over impact on refined soy oil futures at NCDEX, MCX and NBOT, strengthened physical prices of refined soy oil despite sluggish demand and lackluster trades activities. Withdrawal of southwest monsoon is diminishing the fears of more delay in soybeans arrivals in the major producing belt that limited the upside in prices of soy oil. Indonesian government again hiked the base prices for exports on CPO to \$760/tonne from \$733/tonne earlier. While on RBD olein it lowered to \$773/tonne from \$779/tonne. The revised prices would effective from October 1-31. CBOT moved up on surge in other related commodities, crude oil, weakness in dollar and firmed month crush report. August US soy oil stocks totaled at 3.008 billion pounds against 3.205 billion pounds last month and 3.078 billion pounds a year ago. The crude soy oil CIF price for October shipment further increased on Friday to \$939 per tonne from \$925 per tonne on last day.

### FUTURES MARKET:

Despite bullish global cues **NCDEX** refined soy oil futures settled down on Friday on profit taking. Renewed selling pressure also weighs on prices. The most active **October** futures contract of refined soy oil futures opened at Rs. 494 per 10 kg to previous closing at Rs. 492.5 per 10 kg. The contract settled down at Rs. 490.60 per 10 Kg to previous close.

The firm global cues failed to support the **MCX** refined soy oil futures, which plunge on selling pressure at higher level. The **October** futures contract opened at Rs. 495 per 10kg against yesterday closing of Rs. 493.5 per 10kg. The prices closed down at Rs. 491.40 per 10 Kg to yesterday closing.

### PRICE DRIVERS:

- Renewed bulls run in CBOT and BMD
- Firmer August US soy oil reports
- Indonesia has revised the base prices of exports on palm oil products
- Firmer refined soy oil futures on NCDEX, MCX and NBOT
- Sluggish demand and lackluster trading activities
- Crude soy oil CIF price gained by \$14 to \$939 per tonne

### WEATHER

Occasional rainfall would not effect the production of soybeans but delay in arrivals is likely.

### TECHNICALS

Filled candlesticks with long upper shadow indicate strong selling pressure among traders. Prices close near to 9 days but above to 18 days EMA suggest short-term firmness. MACD is falling after bearish crossover in positive territory. Stochastic is falling in overbought region, whereas RSI is lowering in neutral region. Volume increased and open interest declined. Prices are likely to trade sideline with downward inclination.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	485	486	490.60	494	495
MCX-Oct.	485	487	491.40	494	495

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil October Contract:**

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

**MCX Refined Soy Oil October Contract:**

**SELL** Near 492; T1 near 490, T2 near 489 and put stop loss at 493.



## ■ REFINED SOY OIL

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

Centres	28.09.07	27.09.07	Change
Mumbai (Soy Ref oil)+VAT	476	475	+1
Indore (Soy Ref oil)	468	468	Nil
Kota (Soy Ref. Oil)+VAT	472	470	+2
Hyderabad (Soy Ref)	505	505	Nil
Rajkot (Soy Ref)+Tax	465	463	+2

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	494.00	496.80	490.35	490.60	492.50	-0.39
NCDEX	Nov	488.00	491.40	486.20	486.20	486.85	-0.13
NCDEX	Dec	492.50	495.50	488.80	489.40	490.25	-0.17
MCX	Oct	495.00	497.35	491.05	491.40	493.50	-0.43
MCX	Nov	489.10	491.80	486.60	486.70	487.30	-0.12
MCX	Dec	494.35	494.70	488.55	489.20	490.25	-0.21
MCX	Jan	497.50	497.50	490.50	491.00	495.00	-0.81

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

Edible Oil	28.09.07	27.09.07	Change
Crude Soy Oil	939	930	+9
Crude Palm Oil	850	835	+15
Sunflower Oil	1368	1368	Nil

## ■ PALM OIL

### International Highlights

#### BMD CPO Futures Recover on Global Cues

Surge in crude oil, bulls run in CBOT and expectation of good exports demand strengthened crude palm oil futures to traded thin on Bursa Malaysian Derivatives. Market also gained support from expectation of bullish exports figures by SGS for September. The most active December contract of CPO recouped MYR 39 to MYR 2,644 per tonne. CPO trading volume on BMD down to 9,338 lots from 15,469 lots yesterday, open interest remained below to 50,000 lots on 4<sup>th</sup> straight day to 46,707 lots from 48,154 lots on Thursday.

### Domestic Spot Market Highlights

Sharp gains in CBOT and crude oil supported BMD CPO futures with spill over impact on physical prices of palm oil. Some shortage in Kakinada and Hyderabad markets is reported which, helped palm oil prices to stay firm there. As per reports, in next year Indonesia may surpass Malaysia in palm oil production. To remains in line with international prices, Indonesia hiked the base prices of exports at \$760/tonne, \$773/tonne on CPO and RBD olein from \$733/tonne and \$779/tonne respectively. The CIF prices of crude palm oil for October shipment improved on Friday to \$850 per tonne from \$835 per tonne on Thursday.

#### BMD: CPO Futures (28.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2646	2673	2689	2666	2689	+43	561
Nov 07	2615	2645	2660	2635	2655	+40	972
Dec 07	2605	2625	2652	2624	2644	+39	6224
Jan 08	2598	2616	2643	2616	2638	+40	1436
Feb 08	2585	2620	2635	2620	2635	+50	45

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	28.09.07	27.09.07	Change
Kandla CPO (5 % FFA)	420	418	+2
Kandla RBD Palmolein +VAT	458	456	+2
Mumbai RBD Palmolein +VAT	452	452	Nil
Chennai RBD Palmolein +VAT	468	467	+1
Kakinada RBD Palmolein +VAT	458	458	Nil
Hyderabad RBD Palmolein +VAT	482	480	+2
Delhi RDB Palmolein	500	500	Nil

## OTHERS

### Rape/Mustard oil

Spot prices of mustard oil remained in firmer tone amidst firmness in global markets and steady demand. The bullish undertone in others edible oil contributed the firmness to mustard oil. The weakness in rapeseeds meals both at ports and domestically also restricted the gains to certain extent. Traders are waiting final arrivals of oilseeds to hit the market prior to enter in to fresh buying again

### Groundnut Oil

Despite firmness in others edible oil, spot prices of groundnut oil traded mostly weak on poor demand and subdued trade activities. With the withdrawal of southwest monsoon, traders are expecting the new groundnut arrivals is expecting to arriving in the markets in next 8-10 days that also weigh on prices of groundnut oil. The weakness in meal demands both at ports and domestically lent some weakness. The shelled groundnut in different markets in Gujarat traded high on Friday to Rs. 410-552 per 20 kg as compared to Rs. 410-548 per 20 kg on Thursday.

### Refined Sunflower Oil

Prices of refined sunflower oil traded mostly range bound on balance in demand and supply coupled with weak trade activities. Recently sharp upwardly movement in CIF was remain unsupportive for in physical markets and prices settled to previous figures. The CIF prices of sunflower oil for October shipment remained unchanged on Friday at \$1368 per tonne. Traders are expecting the upwardly movement in global markets limiting as physical demand behavior reciprocal to higher prices.

### Refined Cottonseeds Oil

The good harvest progress of cotton and poor demand weakened the physical prices of refined cottonseeds oil in major trading centres. However, losses were restricted by gains in palm oil and soy oil. Firmness in overseas markets also added the support. Traders are expecting the prices of refined cottonseeds oil to loose further on expecting bulky arrivals.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	28.09.07	27.09.07	Change
Mumbai (Exp. Oil) +VAT	488	487	+1
Kota (Exp. Oil)+VAT	468	468	Nil
Jaipur (Exp. Oil)+VAT	475	475	Nil
Delhi (Exp. Oil)	497	495	+2
Neewai (Exp. Oil) +VAT	466	464	+2

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	28.09.07	27.09.07	Change
Mumbai +VAT	715	720	-5
Rajkot +VAT	780	800	-20
Hyderabad +VAT	685	685	Nil
Chennai +VAT	665	665	Nil
Delhi	770	770	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	28.09.07	27.09.07	Change
Mumbai +VAT	580	580	Nil
Chennai +VAT	605	605	Nil
Hyderabad	585	585	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	28.09.07	27.09.07	Change
Mumbai +VAT	495	492	+3
Hyderabad +VAT	505	505	Nil
Rajkot + VAT	500	505	-5
Delhi	495	495	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		28.09.07	27.09.07
USA	Dollar	39.74	39.75
European Union	Euro	56.30	56.24
Japan	100 Yen	34.48	34.38
United Kingdom	Pound Sterling	80.34	80.33

## OTHERS

### PORT-WATCH (Latest):

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	<b>Southern Condor</b>	<b>10,000</b>	<b>Palm oil Product</b>	<b>Expected (03.10.07)</b>
	<b>Oil Ambassador</b>	<b>4,979</b>	<b>CPO</b>	<b>Expected (02.10.07)</b>
	Rosa Tomasos	20,000	CDSBO	Expected (29.09.07)
	<b>Silvia</b>	<b>21,704</b>	<b>CDSBO</b>	<b>Expected (06.10.07)</b>
	Shintoku	14,000	Palm oil Product	Expected (26.09.07)
	Suzanne	10,000	Palm oil	Expected (29.09.07)
New Manglore	World Magesty	7,000	CPO	Berthed (26.09.07)
	<b>Jem of Dehej</b>	<b>6,000</b>	<b>CPO</b>	<b>Expected (28.09.07)</b>
Tuticorin	Starling	8,350	Palm oil	Arrived (24.09.07)
	Jem of Dahej	3,250	Palm oil	Expected (28.09.07)
	<b>L. Star</b>	<b>5,200</b>	<b>Palm oil</b>	<b>Expected 29.09.07)</b>

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

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