

## ■ REFINED SOY OIL

■ Sept 20<sup>th</sup>, 2007**SPOT MARKET:**

Steady demand, weak undertone in others edible oil and lackluster trade forced refined soy oil to trade on softer side in major trading centers. As per trade sources, new soybeans crop have been arriving in the Indore market. But buyers are hesitating as new crop is having high moisture content. To satisfy the festive demand and dwindling edible oil inventories, edible oil import improved in August month. Crude soy oil imports surged 39% to 159,324 tonne from 114,621 tonne last year. August crude palm oil imports rose 24% to 276,151 tonne. Last year, it totaled at 222,702 tonne. On the others hand, BMD declined on CBOT and profit-taking. Whereas, technical selling, weakness in wheat and apprehension of improve soybeans selling as harvest will pick up in coming days pressured CBOT. Crude soy oil CIF prices for September shipment increased slightly on Wednesday at \$940/ tonne from \$939/ tonne on Tuesday.

**FUTURES MARKET:**

Despite weak global cues and choppy trading, **NCDEX** refined soy oil futures manage to settle up. But the prices direction for short-term remained unclear. The most active **October** futures contract of refined soy oil futures opened at Rs. 485.70 per 10 kg to previous closing at Rs.487.45 per 10 kg. The contract finished up at Rs. 488.20 per 10 Kg to previous close.

Weak global cues and unclear prices direction for short term remained unsupportive for refined soy oil futures at **MCX**, which settled up on Wednesday. The **October** futures contract opened at Rs. 486 per 10kg against yesterday closing of Rs. 487.75 per 10kg. The prices closed up at Rs. 488.50 per 10 Kg to yesterday closing.

**PRICE DRIVERS:**

- August crude soy oil import increased 39% at 159,324 tonne
- High moisture content in 2007/08 soybeans crop
- Government kept unchanged the base prices of edible oil
- Improved demand and tight supplies domestically
- Crude soy oil CIF prices decline marginally by\$3
- Weak CBOT and BMD

**WEATHER**

Weather is conducive for good growth of soybean crop.

**TECHNICALS**

Refined soy oil chart shows the gap opening but prices manage to close up on buying pressure. Prices close well above short-term and medium term EMA, suggests firmness in the market. MACD is continuously rising in positive territory. Stochastic and RSI are moving up in neutral zone. Both volume and open interest declined. Prices are likely to stay high with possibility of firm opening.

**SUPPORT / RESISTANCES:**

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	482	484	488.20	494	495
MCX-Oct.	483	484	488.50	494	496

**TRADE RECOMMENDATION:**

**NCDEX Refined Soy Oil October Contract:**

**BUY** Near 487; T1 near 489, T2 near 490 and put stop loss at 486.

**MCX Refined Soy Oil October Contract:**

**BUY** Near 488; T1 near 490, T2 near 491 and put stop loss at 487.



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DAILY

## REFINED SOY OIL

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

Centres	19.09.07	18.09.07	Change
Mumbai (Soy Ref oil)+VAT	475	475	Nil
Indore (Soy Ref oil)	462	463	-1
Kota (Soy Ref. Oil)+VAT	463	464	-1
Hyderabad (Soy Ref)	495	500	-5
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	Sept	481.70	483.25	481.65	482.50	483.55	-0.22
NCDEX	Oct	485.70	488.25	485.00	488.20	487.45	+0.15
NCDEX	Nov	484.00	486.95	482.05	486.05	485.25	+0.16
NCDEX	Dec	488.00	490.70	487.80	489.45	489.40	+0.01
MCX	Sep	475.20	476.30	475.15	475.55	474.80	+0.16
MCX	Oct	486.00	489.20	485.65	488.50	487.75	+0.15
MCX	Nov	483.10	486.70	483.10	485.90	485.20	+0.14
MCX	Dec	487.50	490.00	487.50	489.00	489.25	-0.05

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	19.09.07	18.09.07	Change
Crude Soy Oil	940	939	+1
Crude Palm Oil	820	825	-5
Sunflower Oil	1243	1243	Nil

## ■ PALM OIL

### International Highlights

#### BMD CPO Futures Down on Profit-Taking

Tracking weakness in overnight CBOT and reluctance among traders to continue rallies above psychological level of MYR2,620 per tonne cast weakness for palm oil futures on Bursa Malaysian Derivatives. The most active December contract of CPO futures ended MYR 38 at MYR 2,571 per tonne to previous closing level. Profit-taking and wait for fresh exports data for September 1-20 by cargo surveyor lent weakness. Trading volume increased to 11,784 lots from 8,633 lots yesterday while open interest declined to 53,925 lots vs 55,248 lots yesterday.

### Domestic Spot Market Highlights

Steady demand, weakness in others edible oil and bearish BMD and CBOT cast weakness for spot prices of palm oil in the physical markets. As per trade sources, buying remained dull from vanaspati markers as they are expecting further weakness in near-term. Trade activities are affected in Indonesian market on weak global cues and prices fall to lure the buyers. The CIF prices of crude palm oil for September shipment declined on Wednesday to \$820 per tonne from \$825 per tonne on Tuesday. As new soybeans has start arriving in Indore market. This will influence soy oil prices there with spill over impact in other markets and on other edible oil too including palm olein.

#### BMD: CPO Futures (19.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2627	2611	2615	2579	2595	-32	1576
Nov 07	2612	2602	2607	2565	2580	-32	3241
Dec 07	2609	2595	2601	2553	2571	-38	6382
Jan 08	2600	2593	2593	2547	2565	-35	577
Feb 08	2598	2550	2560	2550	2560	-38	6

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	19.09.07	18.09.07	Change
Kandla CPO (5 % FFA)	420	421	-1
Kandla RBD Palmolein +VAT	455	455	Nil
Mumbai RBD Palmolein +VAT	454	454	Nil
Chennai RBD Palmolein +VAT	460	460	Nil
Kakinada RBD Palmolein +VAT	448	451	-3
Hyderabad RBD Palmolein +VAT	469	465	+4
Delhi RDB Palmolein	492	492	Nil

## OTHERS

### Rape/Mustard oil

Spot prices of mustard oil traded on softer side in domestic markets on subdued trading and sluggish demand. In recent time mustard oil prices firmed up following other edible oil and bulls run in global market. But demand remains unsupportive towards prevailing prices. This also helped prices to stay on softer side. Further weakness in expecting in mustard oil as soy oil would be cheaper as harvest would pick in coming weeks.

### Groundnut Oil

The balance in demand and supplies and poor trading of groundnut oil witnessed range bound prices in major trading centers. As per reports, Russia is likely to lift a ban on import of groundnut seeds of Indian origin due to higher pesticide content. The ban was imposed in recent past. The prices of groundnut seeds for different qualities improved marginally at Rs. 410-545 per 20 kg on Wednesday from Rs. 410-540 per 20 kg yesterday in different market in Gujarat. Price of groundnut oil is likely to stay steady to slightly weak on underlying weakness in other edible oil.

### Refined Sunflower Oil

The physical prices of refined sunflower oil trade mostly range bound on steady supplies and demand. According to market observers, Kharif sunflower is in floral bud formation/ flowering/head formation stage in Maharashtra, UP and Karnataka. The CIF prices of sunflower oil for September shipment remained unchanged on Wednesday at \$1243 per tonne. Traders are expecting prices are likely remains steady to slightly firm on tight supplies in near-terms.

### Refined Cottonseeds Oil

Shift of demand to refined cottonseeds oil as prevailing prices of groundnut oil are quite high, strengthened prices in physical markets. Trades activities remained thin as traders are expecting this firmness in temporary. Physical prices of refined cottonseeds oil are likely to trade steady to slightly weak in short-term as harvest pressure on the verse to start.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	19.09.07	18.09.07	Change
Mumbai (Exp. Oil) +VAT	488	490	-2
Kota (Exp. Oil)+VAT	462	462	Nil
Jaipur (Exp. Oil)+VAT	472	472	Nil
Delhi (Exp. Oil)	498	495	+3
Neewai (Exp. Oil) +VAT	461	461	Nil

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	19.09.07	18.09.07	Change
Mumbai +VAT	725	725	Nil
Rajkot +VAT	780	780	Nil
Hyderabad +VAT	685	685	Nil
Chennai +VAT	660	660	Nil
Delhi	760	760	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	19.09.07	18.09.07	Change
Mumbai +VAT	570	570	Nil
Chennai +VAT	580	575	+5
Hyderabad +VAT	560	560	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	19.09.07	18.09.07	Change
Mumbai +VAT	487	485	+2
Hyderabad +VAT	492	490	+2
Rajkot + VAT	492	492	Nil
Delhi	480	480	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		19.09.07	18.09.07
USA	Dollar	40.26	40.59
European Union	Euro	56.28	56.15
Japan	100 Yen	34.76	35.35
United Kingdom	Pound Sterling	81.15	80.74

## ■ OTHERS

### PORT-WATCH (Latest):

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Neptune	11,000	Palm oil Product	Expected (12.09.07)
	Chem Cosmos	20,248	Palm oil	Expected (16.09.07)
	Bow Plata	8,000	CPO	Expected (18.09.07)
	Shintoku	14,000	Palm oil Product	Expected (19.09.07)
	Global Eos	11,000	CPO	Berthed (11.09.07)
	Theresa Pegasus	21,000	Palm oil Product	Expected (14.09.07)
	Histria Azure	22,000	CDSBO	Berthed (09.09.07)
	Pegasus 7	14,250	CPO	Berthed (10.09.07)
Kolkata	L. Star	5,200	CPO	Arrived (04.09.07)
	Sima Kazee	9,300	CPO	Arrived (06.09.07)
Mundra	Therasa Pegasus	13,629	Palm oil Product	Expected (14.09.07)
New Manglore	Global Venus	8,499	CPO	Arrived (12.09.07)
Mumbai	Gloabal Neptune	6,000	Palm oil Product	Expected (14.09.07)
	Global Triton	12,000	Palm oil Product	Expected (23.09.07)

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