

## REFINED SOY OIL

Sept 26<sup>th</sup>, 2007

### SPOT MARKET:

Despite weakness on BMD on profit booking, weakness in crude oil and within line trade expectation, NCDEX, MCX and NBOT firmed up with spill over impact in domestic markets. This with improved demand spot prices of refined soy oil to stay on higher side. Thin trades activities witnessed in Mumbai market on celebration mood of "Ganesh Visarjan". According to Dorab Mistry, a senior Analyst, country will import around 6 mmt of edible oil in oil year 2007/08 (starting November, 2007). Earlier, he forecasted 5.5 mmt for same year. SGS (a cargo surveyor) estimated Malaysian palm oil exports for the period of September 1-25 highlighted exports increased 11.9% at 1.08 million tonnes. During August 1-25, it totaled at 961,807 million tonnes. The Crude soy oil CIF price for October shipment remained unchanged on 2nd straight day at \$930 per tonne to Monday's prices.

### FUTURES MARKET:

Despite weakness on BMD, **NCDEX** refined soy oil futures improved on Tuesday on follow-through rallies and firmness in CBOT soy oil futures. The most active **October** futures contract of refined soy oil futures opened at Rs. 493 per 10 kg to previous closing at Rs.493.75 per 10 kg. The contract settled up at Rs. 494.6 per 10 Kg to previous close.

The strong global cues and supplies fears in short-term supported gains on **MCX** refined soy oil futures. The **October** futures contract opened at Rs. 495.00 per 10kg against yesterday closing of Rs. 494.40 per 10kg. The prices closed up at Rs. 496 per 10 Kg to yesterday closing.

### PRICE DRIVERS:

- Firmness NCDEX, MCX and NBOT
- Weakness in BMD
- Country likely to import nearly 6 mmt edible oil in 2008
- Trade activities remains thin on "Ganesh Viserjan"
- New soybeans on the verse of strong arrivals

### WEATHER

Weather is conducive for good growth of soybean crop.

### TECHNICALS

Hollow candlestick formation indicates buying interest with slightly tentativeness at higher level. EMA patterns remains medium-term firm. MACD is rising slowly in positive zone. Stochastic is flat in overbought region. RSI also hovering in overbought zone. Volume declined and open interest declined. Prices are likely to trade up cautiously with weak bias.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	488	490	494.6	499	500
MCX-Oct.	490	491	496	500	502

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil October Contract:**

**BUY** Near 494; T1 near 496, T2 near 497 and put stop loss at 493.

**MCX Refined Soy Oil October Contract:**

**BUY** above 496; T1 near 498, T2 near 499 and put stop loss at 495.



## ■ REFINED SOY OIL ■

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

Centres	25.09.07	24.09.07	Change
Mumbai (Soy Ref oil)+VAT	478	478	Nil
Indore (Soy Ref oil)	469	470	+1
Kota (Soy Ref. Oil)+VAT	465	465	Nil
Hyderabad (Soy Ref)	496	496	Nil
Rajkot (Soy Ref)+Tax	462	462	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	493.00	496.80	491.50	494.60	493.75	+0.17
NCDEX	Nov	488.00	491.00	487.10	488.65	489.50	-0.17
NCDEX	Dec	491.50	495.00	491.10	492.85	493.05	-0.04
MCX	Oct	495.00	497.90	492.65	496.00	494.40	+0.32
MCX	Nov	488.40	491.40	487.40	489.40	489.40	-0.02
MCX	Dec	491.00	495.00	491.00	495.00	492.15	+0.58
MCX	Jan	493.00	499.00	493.00	498.20	496.00	+0.44

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

Edible Oil	25.09.07	24.09.07	Change
Crude Soy Oil	930	930	Nil
Crude Palm Oil	845	850	-5
Sunflower Oil	1338	1348	-10

## ■ PALM OIL

### International Highlights

#### BMD CPO Futures Fall on Profit Taking

Profit booking, weakness in crude oil and within expected exports sales estimation turned down crude palm oil futures on Bursa Malaysian Derivatives. The most active December contract of CPO declined MYR 20 to MYR 2,655 per tonne. SGS estimated Malaysian palm oil exports for the period of September 1-25 highlighted exports increased 11.9% at 1.08 million tonnes. During August 1-25, it totaled at 961,807 million tonnes. CPO trading volume on BMD declined to 8,691 lots from 14,667 lots previous day but open interest also declined to 49,674 lots from 50,168 lots on Monday.

### Domestic Spot Market Highlights

The physical prices of palm oil firmed up domestically on fresh buying by vanaspati makers to meet upcoming festive demand and firmness in others edible oil. According to SGS latest update, Malaysian palm oil exports to India totaled at 34,260 per tonne during September 1-25 from 34,535 tonne same period last month. Indonesian palm oil prices moved up in tandem with news of government removed the 10% Value Added Taxes. The CIF prices of crude palm oil for October shipment declined on Tuesday to \$845 per tonne from \$850 per tonne on Monday. As domestic summer sown oilseeds are on the verge of record harvest, edible oil prices must come down to match with processing with solvent units with spill over impact on palm oil.

#### BMD: CPO Futures (25.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2685	2670	2682	2670	2681	-4	361
Nov 07	2680	2670	2678	2655	2668	-12	1591
Dec 07	2675	2665	2669	2648	2655	-20	4906
Jan 08	2670	2658	2661	2640	2645	-25	1538
Feb 08	2662	2648	2648	2641	2641	-21	80

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	25.09.07	24.09.07	Change
Kandla CPO (5 % FFA)	421	420	+1
Kandla RBD Palmolein +VAT	460	456	+4
Mumbai RBD Palmolein +VAT	458	452	+6
Chennai RBD Palmolein +VAT	467	465	+2
Kakinada RBD Palmolein +VAT	456	455	+1
Hyderabad RBD Palmolein +VAT	469	469	Nil
Delhi RDB Palmolein	496	495	+1

## OTHERS

### Rape/Mustard oil

Improved demand and firmed domestic exchange strengthened physical prices of mustard oil in domestically. As per traders, UP government is planning to ban the open sale of mustard oil to ensure the no adulteration with Argemone. Weak meals demand both at ports and domestically capped the gains to certain extent. Traders are expecting, if the ban is impose, prices of mustard oil will increased further.

### Groundnut Oil

Spot prices of groundnut oil remained range bound in most of trading centers on balance in demand and supplies. Currently, early sown Kharif groundnut is in flowering/pegging/pod formation stages in Karnataka, Maharastra, Gujarat, AP, Rajasthan and other minor producing areas, while rainfed groundnut sowing is continues in TN. The shelled groundnut in different markets in Gujarat remained declined on Monday and traded between Rs. 410-545 per 20 kg vs Rs. 410-560 per 20 kg on Saturday.

### Refined Sunflower Oil

Steady arrivals of sunflower, unchanged demand to yesterday and supportive global cues helped refined sunflower oil prices to trade on higher side in major trading centres. Kharif sunflower is in flowering/head formation stage in Maharastra, UP and Karnataka. The CIF prices of sunflower oil for October shipment declined on Tuesday to \$1338 per tonne from \$1348 per tonne on Monday. Traders are expecting prices of refined sunflower oil is likely to trade on higher side in coming days.

### Refined Cottonseeds Oil

Refined cottonseeds oil prices moved up in major trading centres on improved demand and following difference with groundnut oil. Although, trade activities remained thin. The sentiments for new crop are bullish and traders are expecting, this firmness in temporary. Traders are expecting prices would resist more in near-term prior to witness the fresh huge arrivals.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	25.09.07	24.09.07	Change
Mumbai (Exp. Oil) +VAT	487	487	Nil
Kota (Exp. Oil)+VAT	464	462	+2
Jaipur (Exp. Oil)+VAT	472	470	+2
Delhi (Exp. Oil)	501	502	-1
Neewai (Exp. Oil) +VAT	461	461	Nil

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	25.09.07	24.09.07	Change
Mumbai +VAT	720	720	Nil
Rajkot +VAT	810	810	Nil
Hyderabad +VAT	685	685	Nil
Chennai +VAT	680	680	Nil
Delhi	760	760	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	25.09.07	24.09.07	Change
Mumbai +VAT	585	585	Nil
Chennai +VAT	605	600	+5
Hyderabad	580	580	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	25.09.07	24.09.07	Change
Mumbai +VAT	492	488	+4
Hyderabad +VAT	505	502	+3
Rajkot + VAT	500	492	+8
Delhi	485	485	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		25.09.07	24.09.07
USA	Dollar	39.81	39.82
European Union	Euro	56.02	56.22
Japan	100 Yen	34.72	34.64
United Kingdom	Pound Sterling	80.03	80.85



## ■ 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>
	Rosa Tomasos	20,000	CDSBO	Expected (29.09.07)
	Maersk Belfast	16,990	CDSBO	Berthed (24.09.07)
	<b>Southern Condor</b>	<b>10,000</b>	<b>Palm oil Product</b>	<b>Expected (03.10.07)</b>
	<b>Shintoku</b>	<b>14,000</b>	<b>Palm oil Product</b>	<b>Expected (26.09.07)</b>
	<b>Suzanne</b>	<b>10,000</b>	<b>Palm oil</b>	<b>Expected (29.09.07)</b>
New Manglore	World Magesty	7,000	CPO	Berthed (23.09.07)
	Rosa Tomosos	7,000	CDSBO	Arrived (21.09.07)
Mumbai	Global Triton	12,000	Palm oil Product	Arrived (24.09.07)
	Chem Cosmos	4,000	RBD Palm olein	Expected (24.09.07)
Tuticorin	Starling	8,350	Palm oil	Arrived (24.09.07)
	<b>Jem of Dahej</b>	<b>3,250</b>	<b>Palm oil</b>	<b>Expected (25.09.07)</b>

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

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