

## REFINED SOY OIL

Sept 25<sup>th</sup>, 2007

### SPOT MARKET:

Physical prices of refined soy oil moved up on improved demand the renewed bulls run on BMD. BMD, itself firmed on bullish talk by senior analyst Dorab Mistry that BMD may touch MYR3,000 per tonne in coming 2-3 months. In the meanwhile, as per report, government is unwilling to revise down the base prices of imported oil as this move could harm the farmer's sentiments. Besides, higher soybeans prices domestically and lower feed meals demand chinese August imports of soy oil imports exceeded palm oil and rose more than 3 times to 263,094 tonnes from 63,168 last year on strong demand. The Crude soy oil CIF price for October shipment remained unchanged on Monday to \$930 per tonne to Saturday's price. Currently, focus of China on importing soy oil and India on the verge of strong arrival phase, prices of Malaysian palm oil unlikely to move sharply in near-term as these 2 countries are big consumers of palm oil.

### FUTURES MARKET:

Sharp gains on BMD supported **NCDEX** refined soy oil futures on Monday. The expectation of good festive demand in short-term also added the bullish undertone. The most active **October** futures contract of refined soy oil futures opened at Rs. 489.65 per 10 kg to previous closing at Rs.488.00 per 10 kg. The contract settled up at Rs. 491.50 per 10 Kg to previous close.

The strong global cues and supplies fears in short-term triggered gains on **MCX** refined soy oil futures. The **October** futures contract opened at Rs. 489.50 per 10kg against yesterday closing of Rs. 489.00 per 10kg. The prices closed up at Rs. 494.7 per 10 Kg to yesterday closing.

### PRICE DRIVERS:

- Renews bulls run on BMD
- Chinese August soy oil imports rose more than 3 times to 263,094 tonnes
- Government declined to revise base prices of imported oil
- Improved demand and steady supplies
- New soybeans on the verge of strong arrivals

### WEATHER

Weather is conducive for good growth of soybean crop.

### TECHNICALS

Refined soy oil chart shows strong buying pressure. EMA closes well above 9/18 days EMA suggest medium firmness. MACD is rise further in positive zone. Stochastic remains flat in overbought region whereas RSI is rising in neutral region. Volume increased and open interest declined. Prices are likely to trade up initially with steady to firm opening with possibility of late downward movement.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	488	490	491.5	499	500
MCX-Oct.	490	491	494.7	499	500

### 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 495; T1 near 497, T2 near 498 and put stop loss at 494.



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D A I L Y

## ■ REFINED SOY OIL ■

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

Centres	24.09.07	22.09.07	Change
Mumbai (Soy Ref oil)+VAT	478	475	+3
Indore (Soy Ref oil)	470	465	+5
Kota (Soy Ref. Oil)+VAT	465	463	+2
Hyderabad (Soy Ref)	496	495	+1
Rajkot (Soy Ref)+Tax	462	460	+2

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	489.65	493.80	488.00	491.50	488.00	+1.18
NCDEX	Nov	485.50	489.50	485.50	489.50	484.35	+1.06
NCDEX	Dec	489.80	493.75	489.40	493.05	488.20	+0.99
MCX	Oct	489.50	495.00	488.80	494.55	489.00	+1.13
MCX	Nov	485.00	490.00	484.90	489.40	484.10	+1.09
MCX	Dec	489.95	493.00	489.00	493.00	488.00	+1.02
MCX	Jan	495.40	502.00	493.70	495.20	492.00	+0.65

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	24.09.07	22.09.07	Change
Crude Soy Oil	930	930	Nil
Crude Palm Oil	850	832	+18
Sunflower Oil	1348	1328	+20

## ■ PALM OIL

### International Highlights

#### BMD CPO Futures Recoup Sharply

The bullish prices forecast by Dorab Mistry along with bright export demand projection in near-futures, good buying strengthened the crude palm oil futures on Bursa Malaysian Derivatives. The most active December contract of CPO breached the psychological barrier of MYR 2,620 per tonne and closed up MYR69 at MYR2,678 per tonne. The expectation of supportive exports sales figures also contributed the firmness. CPO trading volume on BMD totaled to 14,667 lots high from 12,653 lots on Friday but open interest declined to 50,168 lots from 52,068 lots on previous trading day.

### Domestic Spot Market Highlights

Sharp gains in BMD CPO futures capped the physical prices of palm oil to certain extent, albeit weak demand and supplies pressure. Fear of oversupplies under fall short of surge in price again offset the underlying bullish developments. The Indonesian palm oil escalated to remains in sync with rival BMD. As per reports, Indonesia is likely to raise palm oil production, which is likely to be 18.4 mmt in 2008 up from 17 mmt in current year. The CIF prices of crude palm oil for October shipment jumped on Monday to \$850 per tonne from \$832 per tonne on Saturday. 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 (24.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2621	2625	2687	2623	2685	+64	1453
Nov 07	2614	2685	2680	2618	2680	+66	2533
Dec 07	2606	2606	2675	2606	2675	+69	8940
Jan 08	2600	2600	2670	2601	2670	+70	1510
Feb 08	2592	2615	2660	2592	2660	+68	51

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	24.09.07	22.09.07	Change
Kandla CPO (5 % FFA)	420	418	+2
Kandla RBD Palmolein +VAT	456	456	Nil
Mumbai RBD Palmolein +VAT	452	452	Nil
Chennai RBD Palmolein +VAT	465	462	+3
Kakinada RBD Palmolein +VAT	455	450	+5
Hyderabad RBD Palmolein +VAT	469	464	+5
Delhi RDB Palmolein	495	495	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

The tight supplies and steady demand of groundnut oil helped physical prices to stay in firm tone despite new groundnut has start arrivals in Gujarat market. But the arrival is not sufficient to support the crushing to run in full swing. This helped to keep away the expellers from markets. 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

Refined sunflower oil remained in bullish-trends on steady demand and firmer global markets. Plantation delay in Argentina and significant losses in production in northern hemisphere helped supported the refined sunflower oil in domestic markets. The CIF prices of sunflower oil for October shipment increased on Monday to \$1348 per tonne from \$1328 per tonne on Saturday.

### Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil maintained the firmer undertone on unchanged demand to Saturday and firmness in other edible oil. According to Agriculture ministry of Gujarat, state is likely to produce nearly 90 lakh bales of cotton in upcoming Kharif season under the area of 20 lakh hectares. 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	24.09.07	22.09.07	Change
Mumbai (Exp. Oil) +VAT	487	486	+1
Kota (Exp. Oil)+VAT	462	462	Nil
Jaipur (Exp. Oil)+VAT	470	470	Nil
Delhi (Exp. Oil)	502	500	+2
Neewai (Exp. Oil) +VAT	461	461	Nil

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	24.09.07	22.09.07	Change
Mumbai +VAT	720	720	Nil
Rajkot +VAT	810	800	+10
Hyderabad +VAT	685	685	Nil
Chennai +VAT	680	675	+5
Delhi	760	760	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	24.09.07	22.09.07	Change
Mumbai +VAT	585	580	+5
Chennai +VAT	600	595	+5
Hyderabad	580	585	-5

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	24.09.07	22.09.07	Change
Mumbai +VAT	488	487	+1
Hyderabad +VAT	502	495	+7
Rajkot + VAT	492	490	+2
Delhi	485	484	+1

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		24.09.07	22.09.07
USA	Dollar	39.82	39.87
European Union	Euro	56.22	56.17
Japan	100 Yen	34.64	34.52
United Kingdom	Pound Sterling	80.85	80.57





## ■ 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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