

## REFINED SOY OIL

Oct 10, 2007

### SPOT MARKET:

Despite recovery on BMD on positive outlook of SGS reports for October 1-10, physical prices of refined soy oil declined in major trading centres on poor demand, supplies fear and bearish-trends on CBOT. Trade activities remained thin as most of traders stood away on lack of clear direction. After finalization of bids to import 6,000 tonnes edible oil for October delivery at \$809.75-812.75 per tonne, on a cost-and freight basis, MMTC again floated tender for another import that included 18,000 tonnes of crude palm oil and 3,000 tonnes of RBD palm olein as government cannot afford prices rise during peak festive time. The deliveries will be in October-November. CBOT soy futures settled down on weakness in the commodities, weekend rains in parts of Brazil and strengthening dollar. The CIF prices of crude soy oil for October shipment declined on Tuesday to \$926 per tonne from \$932 per tonne on Monday.

### FUTURES MARKET:

Despite weak CBOT, **NCDEX** refined soy oil futures traded high on Tuesday on renewed bulls run on BMD and domestic markets. The **November** futures contract of refined soy oil open at Rs. 473 per 10 kg to previous close of Rs. 474.05 per 10 kg. The contract settled high at Rs.476.85 per 10 Kg.

Renewed buying interest on BMD and NCDEX influenced refined soy oil futures on **MCX** to trade high on Tuesday. The November futures contract opened at Rs. 473 per 10kg against previous closing of Rs. 474.30 per 10kg. The prices finished up at Rs. 477.20 per 10 Kg.

### PRICE DRIVERS:

- Weakness on CBOT
- Prices recouped on BMD on positive outlook for October figures
- Refined soy oil futures recovered on NCDEX, MCX and NBOT
- Weak tone in other edible oil and thin trade activities
- MMTC has floated tender to import 18,000 tonnes of edible oil
- Crude soy oil CIF prices dropped by \$6

### WEATHER

Mainly clear weather forecast would support the fieldwork and bulk of soybeans arrivals is likely in coming days.

### TECHNICALS

Long hollow candlestick formation indicates strong buying pressure and prices nearly make up the Mondays losses. However, EMA pattern remained medium term weak. MACD falls further in negative territory. Stochastic remain flat while RSI is rising in neutral region. Both volume and open interest declined. Prices are likely to move further with downward movement in late session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	474	475	476.85	484	485
MCX-Nov.	473	474	477.20	485	486

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil November Contract:**

**BUY** Near 477; T1 near 479, T2 near 480 and put stop loss at 476.

**MCX Refined Soy Oil October Contract:**

**BUY** Near 477; T1 near 479, T2 near 480 and put stop loss at 476.



## REFINED SOY OIL

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

Centres	09.10.07	08.10.07	Change
Mumbai (Soy Ref oil)+VAT	465	465	Nil
Indore (Soy Ref oil)	457	460	-3
Kota (Soy Ref. Oil)+VAT	473	473	Nil
Hyderabad (Soy Ref)	492	495	-3
Rajkot (Soy Ref)+Tax	465	465	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	475.00	478.10	474.80	477.85	476.50	+0.28
NCDEX	Nov	473.00	477.15	472.10	476.85	474.05	+0.59
NCDEX	Dec	477.00	480.70	476.75	480.60	478.20	+0.50
MCX	Oct	476.00	479.05	476.00	479.05	477.60	+0.30
MCX	Nov	473.00	477.45	473.00	477.20	474.30	+0.61
MCX	Dec	477.20	480.95	476.50	480.60	478.35	+0.47
MCX	Jan	482.80	485.00	482.80	484.00	483.15	+0.15

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

Edible Oil	09.10.07	08.10.07	Change
Crude Soy Oil	926	932	-6
Crude Palm Oil	820	830	-10
Sunflower Oil	1405	1420	-15

## ■ PALM OIL ■

### International Highlights

#### BMD CPO Futures Recover on Positive Data Outlook

Positive outlook for market data by SGS for the period of October 1-10 and Malaysian Palm oil Board for September coupled with renewed buying interest helped crude palm oil futures to recover from recent losses on Bursas Malaysian Derivatives. The most active December contract of CPO finished MYR50 up to MYR2,592 per tonne to previous close. Fresh buying interest by China after week long holidays also supported the market. However, weakness in CBOT and crude oil capped the gains to certain extent. Trading volume on BMD totaled at 11,438 lots up from 9,660 lots yesterday and open interest stood at 46,288 down from 46,872 lots on Monday.

### Domestic Spot Market Highlights

The arrivals pressure on summer grown oilseeds like soybeans and cotton shattered edible oil prices across domestic markets and palm oil prices lowered in order to sustain the demand. However, BMD rose but the downside in maintained and more weakness in expecting in near-terms. Buyers are also anticipated the more weakness might lure the demand in coming days. The lack of supportive demand and subdued trade activities has pressured the palm oil in Indonesia and market stood steady. The crude palm oil CIF price of October shipment declined further to \$820 per tonne from \$830 per tonne on Monday.

#### BMD: CPO Futures (09.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2632	2605	2690	2602	2690	+58	322
Nov 07	2571	2555	2622	2550	2622	+51	1896
Dec 07	2542	2529	2592	2524	2592	+50	6840
Jan 08	2527	2515	2575	2509	2575	+48	2192
Feb 08	2513	2500	2555	2500	2548	+35	48

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	09.10.07	08.10.07	Change
Kandla CPO (5 % FFA)	410	412	-2
Kandla RBD Palmolein +VAT	450	450	Nil
Mumbai RBD Palmolein +VAT	455	456	-1
Chennai RBD Palmolein +VAT	467	467	Nil
Kakinada RBD Palmolein +VAT	458	457	+1
Hyderabad RBD Palmolein +VAT	480	480	Nil
Delhi RDB Palmolein	490	495	-5

## OTHERS

### Rape/Mustard oil

Physical prices of mustard oil traded on higher side on steady demand and firm tone in mustard seeds prices. The higher seeds prices and low rapeseeds meals demand than expected kept the expellers away from the market. The mustard oil stocks are also dwindling due to slow replenish by expellers. The weakness in the edible oil also pressured the markets. Traders are expecting mustard oil prices to remain steady to slightly firm due to good demand of mustard oil on Dussherra.

### Groundnut Oil

The good arrivals pressure of shelled groundnut and improved release of oil by stockists and expellers pressurized groundnut oil in major trading centers. These days shelled groundnut arrivals in coming around 1 lakh bags in Gujarat markets, which is sufficient to pressure the groundnut oil. The prices of shelled groundnut in different markets in Gujarat remained at Rs. 410-500 per 20 kg as per variety. The production of groundnut is good this year and more arrivals are expected in coming days, which further pressure on groundnut oil in near-term.

### Refined Sunflower Oil

Physical prices of refined sunflower oil moved up on firmer global cues and costlier crude oil prices. However, weakness in others edible oil capped the gains to certain extent. As new sunflower crop starts arriving in the markets, so the dependency on import oil is shedding, therefore market may witness the poor import of sunflower oil in near-term. The CIF prices of sunflower oil for October shipment declined sharply on Tuesday to \$1405 per tonne from \$1420 per tonne on Monday.

### Refined Cottonseeds Oil

Due to delay in arrivals pressure and festive demand kept the physical prices of refined cottonseeds oil buoyant across domestic markets. Prices declined in Gujarat on negative influence of groundnut oil. The weakness in meals demand in domestic markets also added the pressure on refined cottonseeds oil. Traders are expecting, prices of cottonseeds oil likely to stay buoyant in upcoming festival days.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	09.10.07	08.10.07	Change
Mumbai (Exp. Oil) +VAT	480	478	+2
Kota (Exp. Oil)+VAT	462	462	Nil
Jaipur (Exp. Oil)+VAT	470	470	Nil
Delhi (Exp. Oil)	490	490	Nil
Neewai (Exp. Oil) +VAT	461	461	Nil

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	09.10.07	08.10.07	Change
Mumbai +VAT	700	710	-10
Rajkot +VAT	700	725	-25
Hyderabad +VAT	680	680	Nil
Chennai +VAT	600	625	-25
Delhi	770	770	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	09.10.07	08.10.07	Change
Mumbai +VAT	570	565	+5
Chennai +VAT	602	595	+7
Hyderabad	585	580	+5

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

s	09.10.07	08.10.07	Change
Mumbai +VAT	485	485	Nil
Hyderabad +VAT	495	495	Nil
Rajkot + VAT	490	492	-2
Delhi	468	470	-2

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		09.10.07	08.10.07
USA	Dollar	39.55	39.43
European Union	Euro	55.49	55.66
Japan	100 Yen	33.72	33.66
United Kingdom	Pound Sterling	80.44	80.44



## ■ OTHERS

### PORT-WATCH (Latest):

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Southern Condor	10,000	Palm oil Product	Arrived (05.10.07)
	<b>Vale</b>	<b>5,000</b>	<b>Palm oil Product</b>	<b>Arrived (06.10.07)</b>
	SC Sanghai	12,000	Palm oil	Expected (09.10.07)
	Process	18,500	CPO	Expected (08.10.07)
	Global Neptune	13,000	Palm oil Product	Expected (11.10.07)
	Peasus 7	17,000	CPO	Expected (12.10.07)
	Samho Heron	10,000	Palm oil Product	Expected (13.10.07)
	Silvia	21,704	CDSBO	Arrived (06.10.07)
New Manglore	<b>RaisinJ Om</b>	<b>500</b>	<b>SFO</b>	<b>Expected (10.10.07)</b>
Tuticorin	Starling	8,350	Palm oil	Arrived (24.09.07)
	L.Star	5,200	Palm oil	Arrived (04.10.07)
Kolkata	Siteam Panther	9,997	Soy oil	Arrived (04.10.07)
	<b>Olympic</b>	<b>9,590</b>	<b>CPO</b>	<b>Arrived (07.10.07)</b>
	<b>Spring Wind</b>	<b>4,000</b>	<b>CPO</b>	<b>Arrived (07.10.07)</b>
	Cielo Di Salerno	8,002	Soy oil	Arrived (29.09.07)
Mumbai	Oil Ambassador	8,688	Palm oil	Expected (07.10.07)
	<b>Pantelis</b>	<b>10,012</b>	<b>Palm oil Product</b>	<b>Expected (09.10.07)</b>
	Global Triton	8,000	Palm oil	Expected (15.10.07)
Chennai	<b>Theresa II</b>	<b>7,380</b>	<b>CPO</b>	<b>Arrived (08.10.07)</b>

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

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