

REFINED SOY OIL

Oct 22, 2007

SPOT MARKET:

Physical prices of refined soy oil traded steady to weak on thin trading activity on Dussheera. Weakness in soybean prices coupled with weakness in CBOT also pressurised the prices on Saturday. Meanwhile, to check the rising prices of edible oils in domestic markets and considering the rising global prices of edible oils due to continuous rally in energy (crude oil) prices, the govt. on Friday announced that it will import 86,500 MT more edible oil in addition of 38,500 MT contracted earlier through govt.-run agencies STC, MMTC and PEC which also seen pressuring the prices despite of festive demand. NAFED also plans to issue daily tenders for import of palm oil from next week. Further, the weekly sales of soy oil totaled at 26,400 tonnes from trades expectation between 5,000-15,000 tonnes. The CIF prices of crude soy oil for November shipment declined on Saturday to \$961 per tonne from \$971/tonne on Friday.

FUTURES MARKET:

Following weakness in CBOT and selling pressure/profit taking pressurised **NCDEX** refined soy oil futures on Saturday. The **November** futures contract of refined soy oil opened at Rs. 488.00 per 10 kg from previous close of Rs. 489.85 per 10 kg. The futures contract closed down at Rs.487.75 per 10 Kg.

MCX November contract opened at Rs. 488.15 per 10kg against previous closing of Rs. 489.70 per 10kg. The prices settled down at Rs. 487.35 per 10 Kg.

PRICE DRIVERS:

- NAFED aggressive to purchase 10,000 tonnes palm oil daily on ongoing festivals
- Govt. to import more edible oil
- Weakness in soybean following weakness in CBOT
- Bullish USDA weekly exports sales report of soy oil
- Slow harvesting of US soybeans crop on rains
- Strengthening prices of others rival edible oil
- CIF prices of crude soy oil drop \$10 to \$961 per tonne

WEATHER

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

TECHNICALS

Candlestick chart patten shows indecisive market. MACD and EMA remains firm for the medium-term. Stochastic is moving down in overbought region while RSI is heading down in neutral region. Volume declined significantly while open interest increased. Market is expected to trade range bound with firm bias following steady to weak opening.



SUPPORT / RESISTANCES:

Contract		S1	PCP	R1	R2
NCDEX-Nov.	484	485	487.75	490	491
MCX-Nov.	484	485	487.35	490	491

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil **November** Contract:

BUY above 486; T1 near 488, T2 near 489 and put stop loss at 485.

MCX Refined Soy Oil **October** Contract:

BUY above 486; T1 near 488, T2 near 489 and put stop loss at 485.



■ REFINED SOY OIL

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

Centres	20.10.07	19.10.07	Change
Mumbai (Soy Ref oil)+VAT	482	482	Nil
Indore (Soy Ref oil)	468	468	Nil
Kota (Soy Ref. Oil)+VAT	480	482	-2
Hyderabad (Soy Ref)	500	502	-2
Rajkot (Soy Ref)+Tax	475	475	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	488.00	488.90	486.60	487.75	489.85	-2.10
NCDEX	Dec	491.25	492.40	489.85	490.80	493.00	-2.20
NCDEX	Jan	494.70	494.80	492.85	493.75	495.85	-2.10
MCX	Nov	488.15	488.85	486.45	487.35	489.70	-2.35
MCX	Dec	492.00	492.00	489.60	490.20	493.05	-2.85
MCX	Jan	494.00	494.00	492.10	492.90	496.40	-3.50

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	20.10.07	19.10.07	Change
Crude Soy Oil	961	971	-10
Crude Palm Oil	NA	897	-
Sunflower Oil	NA	1445	-

■ PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Thinning stocks both at ports and domestically, rising prices of others edible oil and improving festive demand has strengthened prices of palm oil across the domestic markets. In last week, BMD remained mostly firm on expectation of good exports demand and bullish exports data in the October 1-15. The most active January 2008 contract of crude palm oil futures traded between MYR2,714-2,767/tonne (MYR2,526-2,718/tonne last week). In current week, crude palm oil CIF prices for November shipment traded between \$880-890/tonne (\$830-840/tonne last week).

BMD: CPO Futures (19.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov 07	2817	2849	2882	2849	2860	+43	982
Dec 07	2770	2794	2828	2794	2809	+39	1409
Jan 08	2735	2773	2795	2756	2765	+30	7021
Feb 08	2711	2758	2770	2734	2750	+39	1157
March 08	2705	2750	2735	2735	2740	+35	47

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	20.10.07	19.10.07	Change
Kandla CPO (5 % FFA)	425	425	Nil
Kandla RBD Palmolein +VAT	456	454	+2
Mumbai RBD Palmolein +VAT	482	477	+5
Chennai RBD Palmolein +VAT	505	505	Nil
Kakinada RBD Palmolein +VAT	480	480	Nil
Hyderabad RBD Palmolein +VAT	505	505	Nil
Delhi RDB Palmolein	500	500	Nil

OTHERS

Rape/Mustard oil

Mustard oil prices firmed up across the cash markets amidst good demand from Uttar Pradesh and Northeast parts of India. Despite appreciation step by government to hike the Minimum Support Price of mustard seeds by Rs. 85 to Rs. 1800 per qtl, acreage is not expecting to increase. As the hike in wheat and chana MSP is seems to more lucrative and farmers are like to opt any of above commodities, so the pressure is on mustard.

Groundnut Oil

Steady groundnut arrivals, steady demand supported the range bound prices of groundnut oil in most of trading centres on balance in demand and supply. Despite sharp increase in groundnut production, oil prices is not expecting to sold at cheaper prices approaching months as exporters are eyeing the exports of groundnut oil to America, Brazil and China due to crop failure in these countries. Prices of shelled groundnut of different quality improved on Friday to Rs. 410-472 per 20 kg as compared to Rs. 410-465 per 20 kg on Thursday.

Refined Sunflower Oil

Physical prices of refined sunflower oil maintained bullish trends and remained range bound on steady demand and supply. The surge in crude oil and others related commodities also lent some support. As well as prices also found support from declining arrivals of sunflower seeds in major trading centers. The CIF prices of sunflower oil for November shipment moved up \$20 to \$1445 per tonne on Friday. Traders declined the sharp drop in oil and as trends are high in global markets.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil maintained the last day's bullish-trends and stood firm on weekend. This year fall in US cotton production is expecting to boost Indian cotton exports by 20% and rise in prices by 10% strengthened the markets. Indian cotton exports rose 27% to 6 million bales from 4.7 million bales last year. However, further improvement in oil prices from current level cannot be deny on underlying firmness in other edible oil in very short-term.

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		20.10.07	19.10.07
USA	Dollar	39.79	39.79
European Union	Euro	56.87	56.87
Japan	100 Yen	34.60	34.60
United Kingdom	Pound Sterling	81.41	81.41

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	20.10.07	19.10.07	Change
Mumbai (Exp. Oil) +VAT	496	493	-3
Kota (Exp. Oil)+VAT	481	483	-2
Jaipur (Exp. Oil)+VAT	485	488	-3
Delhi (Exp. Oil)	510	515	-5
Neewai (Exp. Oil) +VAT	NA	481	-

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	20.10.07	19.10.07	Change
Mumbai +VAT	670	660	+10
Rajkot +VAT	620	620	Nil
Hyderabad +VAT	620	640	-20
Chennai +VAT	590	590	Nil
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	20.10.07	19.10.07	Change
Mumbai +VAT	610	610	Nil
Chennai +VAT	620	620	Nil
Hyderabad	610	605	+5

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	20.10.07	19.10.07	Change
Mumbai +VAT	492	490	+2
Hyderabad +VAT	505	510	-5
Rajkot + VAT	497	490	+7
Delhi	473	472	+1



Agriwatch
DAILY

■ OTHERS

COMMODITIES RESEARCH