

REFINED SOY OIL

Oct 18, 2007

SPOT MARKET:

Despite weakness in overseas markets, spot prices of refined soy oil traded range bound on balance in demand and supply. To avoid the surge in edible oil prices and to ease shortage in peak festivals days, government has asked nodal agencies to import edible oil. Following STC and MMTC, now NAFED is planning to import 15,000 tonnes of crude palm oil in 3rd week of November. So far, NAFED has imported 40,000 tonnes of edible oil (31,000 tonnes of crude palm oil and 9,000 tonnes degummed soy oil. While China soy oil import in January-September rose sharply 80% to 1.94 million tonnes as compared to 1.07 same period last year, reflecting supplies has been dried up. The CIF prices of crude soy oil for November shipment increased further on Wednesday to \$956 per tonne from \$950 per tonne on Tuesday.

FUTURES MARKET:

Profit taking from recent rallies combined with bearish global cues dragged **NCDEX** refined soy oil futures. The **November** futures contract of refined soy oil opened at Rs. 488.5 per 10 kg to previous close of Rs. 489.75 per 10 kg. The futures contract closed down at Rs.485.1 per 10 Kg.

Profit-taking from recent gains pushed down refined soy oil futures on **MCX** to losses all the gains achieved yesterday. The November futures contract opened at Rs. 488 per 10kg against previous closing of Rs. 489.75 per 10kg. The prices settled down at Rs. 485.45 per 10 Kg.

PRICE DRIVERS:

- Weakness in BMD and CBOT soy futures
- Improving festive demand
- Good demand of soybeans by solvent plants
- NAFED is likely to import 15,000 tonnes of crude palm oil in November 3rd week
- China Jan-Sep. soy oil import rose 80% to 1.94 million tonnes
- CIF prices of crude soy oil increased \$6 to \$956 per tonne

WEATHER

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

TECHNICALS

Dark marubozu candlesticks formation indicates strong selling pressure and market lost all the gains achieved yesterday. Prices manage to close above 9-days and 18-days EMA, hinting short-term firmness. MACD is rising in positive territory. Stochastic is attempting for bearish crossover in overbought region, so further correction from current levels is likely. Whereas RSI is falling in the neutral region. Both volume and open interest declined. Prices are likely to trade down with steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	481	482	485.1	488	489
MCX-Nov.	481	482	485.45	488	489

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

SELL Near 485.5; T1 near 484, T2 near 483 and put stop loss at 486.2.

MCX Refined Soy Oil October Contract:

SELL Near 485.5; T1 near 484, T2 near 483 and put stop loss at 486.2.



Agriwatch
DAILY

REFINED SOY OIL

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

Centres	17.10.07	16.10.07	Change
Mumbai (Soy Ref oil)+VAT	482	478	+4
Indore (Soy Ref oil)	470	466	+4
Kota (Soy Ref. Oil)+VAT	480	480	Nil
Hyderabad (Soy Ref)	502	505	-3
Rajkot (Soy Ref)+Tax	472	472	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	487.00	488.00	486.50	487.80	488.40	-0.12
NCDEX	Nov	488.50	488.50	484.50	485.10	489.75	-0.95
NCDEX	Dec	490.45	491.70	487.70	488.25	493.00	-0.96
NCDEX	Jan	493.40	494.00	490.50	491.30	495.50	-0.85
MCX	Oct	482.05	483.00	481.40	481.65	482.05	-0.08
MCX	Nov	488.00	488.25	484.70	488.45	489.75	-0.88
MCX	Dec	490.55	490.85	487.20	487.45	492.85	-1.10
MCX	Jan	493.00	494.50	494.40	490.40	494.60	-0.85

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	17.10.07	16.10.07	Change
Crude Soy Oil	956	950	+6
Crude Palm Oil	885	885	Nil
Sunflower Oil	1425	1430	-5

■ PALM OIL

International Highlights

BMD CPO Futures Settle Down on Profit Taking

Profit taking after 5 straight days gains and weakness on CBOT, cast weakness for crude palm oil futures on Bursa Malaysian Derivatives. The most active January contract of CPO settled down sharply MYR 53 to MYR 2,714 per tonne. Under strong selling pressure on palm oil ignored gains others related commodities likely crude oil and soy oil. Traders are anticipating, if the CPO prices maintain the current level, it will promote the usage of bio-diesel, which will remain supportive for edible oil in international markets. Trading volume totaled at 14,291 lots down from 17,067 lots yesterday and open interest stood at 50,978 lots up from 50,629 lots up Tuesday.

Domestic Spot Market Highlights

Continuous buying support as palm oil is still competitive to others rival edible oil strengthened spot prices of palm oil in major trading centres. The dwindling stockists at ports and with stockists also remain supportive for palm oil. The more uptrends could be witness in near-term even though government agencies likely STC, MMTC and NAFED is actively importing crude palm oil and palm olein in the country. No trade activities are reported in Indonesia on celebration mood in of weeklong holidays in Indonesia. The CIF prices of crude palm oil for November shipment remained unchanged on Wednesday at \$885 per tonne as compared to Tuesday. Traders are expecting the good demand of palm oil by imports and government agencies like MMTC, STC and NAFED are likely support BMD with spill over impact in domestic markets.

BMD: CPO Futures (17.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov 07	2845	2820	2848	2780	2790	-55	766
Dec 07	2795	2774	2803	2722	2740	-55	3371
Jan 08	2767	2750	2780	2692	2714	-53	8517
Feb 08	2750	2730	2763	2678	2695	-55	1475
March 08	2750	2725	2748	2675	2687	-63	139

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	17.10.07	16.10.07	Change
Kandla CPO (5 % FFA)	424	422	+2
Kandla RBD Palmolein +VAT	454	455	-1
Mumbai RBD Palmolein +VAT	470	466	+4
Chennai RBD Palmolein +VAT	488	488	Nil
Kakinada RBD Palmolein +VAT	475	475	Nil
Hyderabad RBD Palmolein +VAT	505	505	Nil
Delhi RDB Palmolein	500	505	-5

OTHERS

Rape/Mustard oil

Physical prices of mustard oil maintained firmness across domestic markets on prospects of tight supplies from expellers and improving festive demand. Sensing the demand would not drop till Dipawali, stockists preferred to hold their stocks to fetch better prices in short-term. The unfavorable weather conditions for mustard sowing also supported the markets. Traders are expecting price not to come down in next couple of days ahead.

Groundnut Oil

The ideas of market dropped significantly in last few days, consolidation is witnessed in physical prices of groundnut oil and prices turned range bound on balance in demand and supplies in most of trading centres. The fundamentals are really weak and more groundnut seeds arrivals are expecting to hit the market in coming days. So, prices of groundnut oil must to decline to match with new arrivals from expellers, traders added. The shelled groundnut of different quality quoted at Rs. 410-465 per 20 kg, in different markets in Gujarat.

Refined Sunflower Oil

Physical prices of refined sunflower oil has firmed up again on tight supplies and rising international markets. As per market sources, sunflower seeds harvesting in advancing in Ukraine and on October 11, 89% of total area has been completed. The CIF prices of sunflower oil for October shipment declined sharply on Monday to \$1425 per tonnes from \$1440 per tonne on Saturday. The underlying firmness in overseas markets and likely laborers shortage would remained supportive to the prices in short-term.

Refined Cottonseeds Oil

Shortage of supplies and firmness in others edible oil pushing up prices of refined cottonseeds oil in most of trading centres. However, market is having sufficient stocks but hoarding activities by stockists added the firm tone to refined cottonseeds oil. The sentiments of Bt. cotton has improved this year and like to continue to next year too with plenty supplies.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	17.10.07	16.10.07	Change
Mumbai (Exp. Oil) +VAT	495	492	+3
Kota (Exp. Oil)+VAT	480	477	+3
Jaipur (Exp. Oil)+VAT	485	485	Nil
Delhi (Exp. Oil)	515	516	-1
Neewai (Exp. Oil) +VAT	478	476	+2

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	17.10.07	16.10.07	Change
Mumbai +VAT	650	650	Nil
Rajkot +VAT	610	610	Nil
Hyderabad +VAT	640	640	Nil
Chennai +VAT	600	610	-10
Delhi	705	725	-20

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	17.10.07	16.10.07	Change
Mumbai +VAT	605	600	+5
Chennai +VAT	620	620	Nil
Hyderabad	605	600	+5

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	17.10.07	16.10.07	Change
Mumbai +VAT	497	490	+7
Hyderabad +VAT	514	515	-1
Rajkot + VAT	490	488	+2
Delhi	470	475	-5

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		17.10.07	16.10.07
USA	Dollar	39.68	39.31
European Union	Euro	56.23	55.86
Japan	100 Yen	34.10	33.48
United Kingdom	Pound Sterling	80.53	80.19

OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Southern Condor	10,000	Palm oil Product	Arrived (10.10.07)
	Chem Lily	4,635	Palm oil Product	Arrived (09.10.07)
	Vale	5,000	Palm oil Product	Arrived (06.10..07)
	SC Sanghai	12,000	Palm oil	Arrived (09.10.07)
	Process	18,500	CPO	Expected (10.10.07)
	Global Neptune	13,000	Palm oil Product	Expected (13.10.07)
	Westama	4,000	CPO	Expected (15.10.07)
	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)
Kolkata	Sea Lustre	6,570	CPO	Arrived (12.10.07)
Mumbai	Oil Ambassador	8,688	Pal m oil	Arrived (07.10.07)
	Pantelis	10,012	Palm oil Product	Arrived (09.10.07)
	Global Triton	8,000	Palm oil	Expected (15.10.07)
Chennai	Theresa II	7,380	CPO	Arrived (08.10.07)
New Mangalore	Raisinj-om	500	Sunflower oil	Expected (12.10.07)
Port of Mundra	Golden Express	6,000	Soy oil	Expected (17.10.07)
Turicorin	Shimakaze	4,750	Palm oil	Expected 19.10.07

New vessels on chart are in bold.

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