

REFINED SOY OIL

Oct 08, 2007

SPOT MARKET:

Spot prices of refined soy oil traded range bound across domestic markets on balance in demand and supplies, weak CBOT and subdued trade activities. In last month, rupee value strengthened by 2.98% to Rs. 39.74 on September 30th from Rs. 40.96 on September 1st and is continue to strong and hovered at Rs. 39.73 on October 6th. This is supportive for importers as well as government run agencies like MMTC, STC, which intended to imports edible oil in bulk. Weakness in corn, wheat and forecast of rain in major soybeans belt in Brazil cast weakness on CBOT. Market also generated weakness from overnight fall in palm oil futures. The CIF prices of crude soy oil declined on Saturday to \$932 per tonne from \$937 per tonne on Friday. While traded in range of \$922-937 per tonne during the last week.

FUTURES MARKET:

Following weak CBOT and profit taking pushed down **NCDEX** refined soy oil futures on Saturday. The **November** futures contract of refined soy oil opened unchanged to previous closing at Rs. 481.25 per 10 kg. The contract settled down at Rs. 478 per 10 Kg.

Follow-through selling interest and bears run in overseas market of related commodities dragged the refined soy oil futures on **MCX**. The November futures contract opened at Rs. 481.50 per 10kg against previous closing of Rs. 481.10 per 10kg. The prices closed down at Rs. 478.80 per 10 Kg.

PRICE DRIVERS:

- Weak CBOT
- Prediction of clear weather in major soybeans producing belts
- Rupee value strengthened by 2.98% in September
- Country in heading towards record soybeans harvest
- Crude soy oil CIF price declined by \$5

WEATHER

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

TECHNICALS

Dark body candlesticks formation with long upper shadow indicates strong selling pressure among traders. Prices close below to both 9-days and 18-days EMA pattern, suggests medium-term weakness. MACD is falling and on the verge to enter negative territory. Stochastic is rising and RSI is falling in neutral region. Both volume and open interest declined. Market is expects to trade down with steady to weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	472	473	478	481	482
MCX-Nov.	472	473	478.8	481	482

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

SELL Near 478; T1 near 476, T2 near 475 and put stop loss at 479.

MCX Refined Soy Oil October Contract:

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



■ REFINED SOY OIL ■

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

Centres	06.10.07	05.10.07	Change
Mumbai (Soy Ref oil)+VAT	465	465	Nil
Indore (Soy Ref oil)	458	458	Nil
Kota (Soy Ref. Oil)+VAT	473	473	Nil
Hyderabad (Soy Ref)	495	495	Nil
Rajkot (Soy Ref)+Tax	463	463	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	481.20	485.10	480.60	481.50	481.15	+0.07
NCDEX	Nov	481.25	482.80	477.95	478.00	481.25	-0.68
NCDEX	Dec	484.95	487.20	482.30	482.30	485.45	-0.65
MCX	Oct	481.70	485.25	481.70	482.45	481.75	+0.15
MCX	Nov	481.50	482.80	478.40	478.80	481.80	-0.48
MCX	Dec	485.00	487.00	482.65	483.40	485.95	-0.52
MCX	Jan	486.10	497.15	485.65	488.80	487.50	+0.27

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	06.10.07	05.10.07	Change
Crude Soy Oil	932	937	-5
Crude Palm Oil	830	835	-5
Sunflower Oil	1420	1423	-3

■ PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Mostly weak BMD, sluggish demand and lackluster trades pushed down the prices of palm oil across domestic markets. The mounting selling pressure in others edible oil due to fresh crushing of Kharif oilseeds (mainly soybeans and cottonseeds) from mid October onwards, also contributed the weakness. On the other hand, Indonesia palm oil traded thin as most of traders was square off their position on weakness in global market of related commodities. The crude palm oil CIF price of October shipment declined on Saturday to \$830 per tonne from \$835 per tonne on Friday.

BMD: CPO Futures (05.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2690	2708	2718	2652	2652	-38	384
Nov 07	2629	2640	2657	2605	2605	-24	2189
Dec 07	2599	2610	2631	2570	2570	-29	7779
Jan 08	2584	2603	2612	2560	2560	-24	2252
Feb 08	2574	2600	2600	2550	2550	-24	62

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	06.10.07	05.10.07	Change
Kandla CPO (5 % FFA)	415	416	-1
Kandla RBD Palmolein +VAT	454	454	Nil
Mumbai RBD Palmolein +VAT	456	454	+2
Chennai RBD Palmolein +VAT	465	467	-5
Kakinada RBD Palmolein +VAT	457	452	+5
Hyderabad RBD Palmolein +VAT	478	475	+3
Delhi RDB Palmolein	497	497	Nil

OTHERS

Rape/Mustard oil

Physical prices of mustard oil traded nearly range bound across domestic markets on balance in demand and supplies coupled with steadiness in other's edible oil. Main driven force, i.e. soy oil also traded range bound that curbed the any opportunity in upswing in prices of mustard oil. Traders are expecting mustard oil to trade steady to slightly weak undertone in near-term on arrivals pressure of other oilseeds in the market from mid October onwards.

Groundnut Oil

The prices of groundnut oil traded on softer side across domestic markets on outpaced supplies to demand. Weakness in others edible oil also weigh on prices. Prices declined sharply in Rajkot on supplies pressure of shelled groundnut. With the quality assurance by APEDA, Russia lifted the ban on groundnut for four months till January 15, 2008. The exports will be permissible after quality and safety certification by Delhi based Sri Ram Institute of Industrial Research or any other agency notified time to time. This already effected from September 17th onwards.

Refined Sunflower Oil

Spot prices of refined sunflower oil traded mostly range bound on steady demand and supplies. Due to persistent unfavorable weather conditions sunflower seeds sowing is lagging in Argentina and only 34% plantation is completed on September 27th as compared to 73% same period last year. The CIF prices of sunflower oil for October shipment declined on Saturday to \$1420 per tonne from \$1423 per tonne on Friday.

Refined Cottonseeds Oil

Steady demand, news of some cotton damage in Saurashtra region on recent rains strengthened physical prices of refined cottonseeds oil in most of markets. Steady to slightly firmness in meals also added the support to the market. Traders are expecting this firmness is transient and will decline in coming days according to arrivals pressure.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	06.10.07	05.10.07	Change
Mumbai (Exp. Oil) +VAT	479	479	Nil
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	06.10.07	05.10.07	Change
Mumbai +VAT	710	710	Nil
Rajkot +VAT	720	755	-35
Hyderabad +VAT	680	680	Nil
Chennai +VAT	630	650	-20
Delhi	770	770	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	06.10.07	05.10.07	Change
Mumbai +VAT	565	565	Nil
Chennai +VAT	590	605	-15
Hyderabad+VAT	590	590	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	06.10.07	05.10.07	Change
Mumbai +VAT	488	488	Nil
Hyderabad +VAT	495	492	+3
Rajkot + VAT	488	484	+4
Delhi	472	472	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		06.10.07	05.10.07
USA	Dollar	39.49	39.49
European Union	Euro	55.82	55.76
Japan	100 Yen	33.78	33.88
United Kingdom	Pound Sterling	80.69	80.41

OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Southern Condor	10,000	Palm oil Product	Expected (05.10.07)
	Chem Lily	4,635	Palm oil Product	Expected (04.10.07)
	Chem Jasmin	26,000	Palm oil Product	Expected (04.10.07)
	SC Sanghai	12,000	Palm oil	Expected (08.10.07)
	Process	18,500	CPO	Expected (07.10.07)
	Global Neptune	13,000	Palm oil Product	Expected (10.10.07)
	Peasus 7	17,000	CPO	Expected (12.10.07)
	Samho Heron	10,000	Palm oil Product	Expected (13.10.07)
New Manglore	Silvia	21,704	CDSBO	Expected (06.10.07)
	Global Eos	11,000	CPO	Expected (06.10.07)
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)
	Cielo Di Salerno	8,002	Soy oil	Arrived (29.09.07)
	Sima Kazee	7,000	CPO	Arrived (01.10.07)
	Pacific Sound	5,900	CPO	Arrived (02.10.07)
	Marida Prince	6,200	CPO	Arrived (01.10.07)
Mumbai	Oil Ambassador	8,688	Palm oil	Expected (07.10.07)
	Global Triton	8,000	Palm oil	Expected (13.10.07)

New vessels on chart are in bold.

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