

## REFINED SOY OIL

Oct 17, 2007

### SPOT MARKET:

Rising festive demand and bullish trends on CBOT and BMD raised prices of refined soy oil in most of the markets. Market also found support from bullish-trends on refined soy oil futures on NCDEX, MCX and NBOT. As per trade sources, solvent plants are bound to procure soybeans at higher prices from the markets to cover up their buffer stocks. Failure to this may impede soybeans crushing in peak festivals days, when laborer shortage is likely. BMD is rising on CBOT and bullish export sales of Malaysian palm oil in the October 1-15, which rose 13% to 679,512 tonnes up from 601,562 tonne same period in September. Whereas CBOT rose on firmness in others commodities (wheat and corn), weather concern in Brazil and depleting soy oil stocks with NOPA. September USA soy oil stocks totaled at 2.561 billion pounds down from 2.701 billion pounds last month and 2.589 billion pounds trades estimation. The CIF prices of crude soy oil for November shipment increased on Tuesday to \$950 per tonne from \$941 per tonne on Monday.

### FUTURES MARKET:

Follow-through buying interest propelled **NCDEX** refined soy oil futures amidst improving cash market sentiments. The **November** futures contract of refined soy oil opened at Rs. 487 per 10 kg to previous close of Rs. 486.40 per 10 kg. The futures contract closed up at Rs.489.40 per 10 Kg.

Continuous buying interest manages to support refined soy oil futures on **MCX** from early weakness. The November futures contract opened at Rs. 489.20 per 10kg against previous closing of Rs. 486.7 per 10kg. The prices settled up at Rs.489.6 per 10 Kg.

### PRICE DRIVERS:

- Improving festive demand
- Good demand of soybeans by solvent plants
- More plant would come in operation by Dussherra
- Malaysian palm oil exports rose 13% to 679,512 tonnes in the October 1-15
- Bullish NOPA, USA soy oil stocks reports
- CIF prices of crude soy oil gained \$9 to \$950 per tonne

### WEATHER

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

### TECHNICALS

Hollow candlesticks is formed suggest strong buying interest with mild profit taking from resistance level of Rs. 490. EMA and MACD remains medium term firm. Stochastic is rising in overbought region, so correction from these levels cannot be ruled out. RSI continue to rising in neutral region. Volume increased and open interest declined. Prices are move up cautiously from now, with firm bias.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	487	488	489.40	495	496
MCX-Nov.	487	488	489.60	495	496

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil November Contract:**

**BUY** Near 490; T1 near 492, T2 near 493 and put stop loss at 489.

**MCX Refined Soy Oil October Contract:**

**BUY** Near 490; T1 near 492, T2 near 493 and put stop loss at 489.



## ■ REFINED SOY OIL

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

Centres	16.10.07	15.10.07	Change
Mumbai (Soy Ref oil)+VAT	478	472	+6
Indore (Soy Ref oil)	466	462	+4
Kota (Soy Ref. Oil)+VAT	480	474	+6
Hyderabad (Soy Ref)	505	500	+5
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	488.50	490.00	487.35	488.50	488.55	+0.61
NCDEX	Nov	487.00	490.40	487.00	489.40	486.40	+0.62
NCDEX	Dec	492.40	494.10	490.05	492.70	489.90	+0.57
NCDEX	Jan	496.00	498.00	493.20	495.50	492.50	+0.61
MCX	Oct	482.05	483.00	481.40	481.65	482.05	-0.08
MCX	Nov	489.20	490.50	487.70	489.60	486.70	+0.60
MCX	Dec	491.50	493.75	489.75	492.25	489.85	+0.49
MCX	Jan	496.00	497.55	492.95	494.70	492.00	+0.55

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	16.10.07	15.10.07	Change
Crude Soy Oil	950	941	+9
Crude Palm Oil	885	Closed	-
Sunflower Oil	1430	1425	+5

## ■ PALM OIL

### International Highlights

#### BMD CPO Futures Settle Up on CBOT

Sharp gains in crude oil, bullish-trends in CBOT soy futures propelled crude palm oil futures on Bursa Malaysian Derivatives. The most active January contract of CPO settled up MYR 47 to MYR 2,791 per tonne. Market also gain strengthen from bullish exports sales figures of palm oil in the October 1-15, which rose 13% to 679,512 tonnes up from 601,562 tonne same period in September. After 3 weeks, open interest crossed to 50,000 lots level. Trading volume totaled at 17,067 lots up from 14,785 lots yesterday and open interest stood at 50,629 lots up from 49,328 lots on Friday.

### Domestic Spot Market Highlights

Continuous good demand of palm oil by vanaspati markers to meet the demand in string of festivals maintained the firmness in prices of palm oil across the domestic markets. As the major sources of palm olein is through imports, so the dependency on imported oil is high but the supplies is not enough to match the demand, so prices rise in inevitable. 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 quoted at \$885 per tonne on 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 (16.10.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov 07	2776	2790	2854	2790	2845	+69	1442
Dec 07	2731	2742	2814	2742	2795	+64	3101
Jan 08	2718	2728	2791	2725	2767	+49	8229
Feb 08	2709	2712	2778	2712	2750	+41	3538
March 08	2698	2721	2768	2713	2750	+52	867

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	16.10.07	15.10.07	Change
Kandla CPO (5 % FFA)	422	419	+3
Kandla RBD Palmolein +VAT	455	454	+1
Mumbai RBD Palmolein +VAT	466	462	+4
Chennai RBD Palmolein +VAT	488	480	+8
Kakinada RBD Palmolein +VAT	475	475	Nil
Hyderabad RBD Palmolein +VAT	505	500	+5
Delhi RDB Palmolein	505	500	+5

## OTHERS

### Rape/Mustard oil

The prevailing good demand and rising mustard seeds prices both at physical markets and domestic exchanges like (Sirsa, Hapur and Delhi) strengthened physical prices of mustard oil domestically. Market also generated bullishness from supportive meals sentiment both at port and domestically. This is likely to propel the price of mustard oil further height in short term, traders added.

### Groundnut Oil

When the up trends are evident in others oilseeds like cotton and soybeans, prices of groundnut oil dropped sharply in major producing region to match with subdued demand and improved arrivals of groundnut. However, the ban on groundnut seeds exports is lifted by Russia on September 17<sup>th</sup> but the quality concern is still weigh heavily on nut. This is resulting; a Russian delegation is likely to visit India in next week to see a number of certifying laboratories and processing systems.

### Refined Sunflower Oil

Holding back activities by stockists and rising crude oil prices remain supportive for refined sunflower oil across domestic markets. Market also found support from firmness in others edible oil. The sentiments in overseas are also high that also remain supportive. The CIF prices of sunflower oil for October shipment declined sharply on Monday to \$1425 per tonnes from \$1440 per tonne on Saturday. Traders are expecting prices to remain firm on likely underlying firmness in overseas markets of related commodities.

### Refined Cottonseeds Oil

Physical prices of refined cottonseeds oil traded on higher side on good demand and prospects of tight supplies. Firmness in cottonseeds meals also remains supportive for oil prices. However, cottonseeds has start arriving in the market but the pace to pick by next week when wave of festive demand will slightly calm down.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	16.10.07	15.10.07	Change
Mumbai (Exp. Oil) +VAT	492	490	+2
Kota (Exp. Oil)+VAT	477	475	+2
Jaipur (Exp. Oil)+VAT	485	484	+1
Delhi (Exp. Oil)	516	512	+4
Neewai (Exp. Oil) +VAT	476	473	+3

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	16.10.07	15.10.07	Change
Mumbai +VAT	650	700	-50
Rajkot +VAT	610	660	-50
Hyderabad +VAT	640	680	-40
Chennai +VAT	610	585	+25
Delhi	725	700	+25

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	16.10.07	15.10.07	Change
Mumbai +VAT	600	590	+10
Chennai +VAT	620	605	+15
Hyderabad	600	590	+10

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	16.10.07	15.10.07	Change
Mumbai +VAT	490	490	Nil
Hyderabad +VAT	515	510	+5
Rajkot + VAT	488	485	+3
Delhi	475	470	+5

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		16.10.07	15.10.07
USA	Dollar	39.31	39.31
European Union	Euro	55.86	55.71
Japan	100 Yen	33.48	33.41
United Kingdom	Pound Sterling	80.19	79.95



## 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	<b>Sea Lustre</b>	<b>6,570</b>	<b>CPO</b>	<b>Arrived (12.10.07)</b>
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	<b>Shimakaze</b>	<b>4,750</b>	<b>Palm oil</b>	<b>Expected 19.10.07</b>

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

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