

## REFINED SOY OIL

Oct 19, 2007

### SPOT MARKET:

Despite rising prices degummed soy oil and recovery on BMD from Wednesday losses, physical prices of refined soy oil traded on softer side domestically amidst outpaced supplies to demand. The soybeans harvesting in full swing in Madhya Pradesh, Rajasthan and Maharashtra, which also weigh on prices. During current month, degummed soy oil improved 1.74% to Rs. 460/10 kg at JNPT port Mumbai from Rs. 452/10 kg on October 1st, which is hinting the uptrends is maintained and prices may improve in short-term albeit fluctuation in physical demand. The weather and acreage concern in South America pressured on soy futures but losses were capped by Chinese purchase of 20,000 tonnes of soy oil of US origin and expectation of harvest slow down on recent rain in Iowa. The CIF prices of crude soy oil for November shipment declined on Thursday to \$951/tonne from \$956/tonne on Wednesday.

### FUTURES MARKET:

Following recovery on BMD and improving buying interest boosted **NCDEX** refined soy oil futures on Thursday. The **November** futures contract of refined soy oil opened at Rs. 486.50 per 10 kg to previous close of Rs. 485.35 per 10 kg. The futures contract closed up at Rs.489 per 10 Kg.

Significantly improved buying interest and firmed up physical prices combined with bullish undertone on global markets remain supportive for refined soy oil futures on **MCX**. The November futures contract opened at Rs. 486.80 per 10kg against previous closing of Rs. 485.45 per 10kg. The prices settled up at Rs. 489.10 per 10 Kg.

### PRICE DRIVERS:

- Recovery on BMD on buying interest
- Degummed soy oil improved 1.74% to 460/10 kg in current month
- Soybeans harvesting pressure in major soybeans producing regions
- China purchased 20,000 tonnes of soy oil of US origin
- Strengthening prices of others rival edible oil
- CIF prices of crude soy oil declined \$5 to \$951 per tonne

### WEATHER

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

### TECHNICALS

Refined soy oil chart shows the bullish recovery and prices recover all the Wednesday losses. EMA and MACD remain medium term-firm. Stochastic made bearish crossover in overbought region, so correction from prevailing level cannot be rule out. Whereas RSI is rising in the neutral region. Volume increased and open interest declined. Prices are expecting to rise from current level with firm bias.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	485	486	489	494	496
MCX-Nov.	484	485	489.10	494	496

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil November Contract:**

**BUY** Near 489.5; T1 near 491, T2 near 492 and put stop loss at 488.8.

**MCX Refined Soy Oil October Contract:**

**BUY** Near 489.5; T1 near 491, T2 near 492 and put stop loss at 488.8.



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D A I L Y

## ■ REFINED SOY OIL ■

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

Centres	18.10.07	17.10.07	Change
Mumbai (Soy Ref oil)+VAT	482	482	Nil
Indore (Soy Ref oil)	467	470	-3
Kota (Soy Ref. Oil)+VAT	480	480	Nil
Hyderabad (Soy Ref)	502	502	Nil
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	487.70	489.90	487.50	489.50	487.65	+0.37
NCDEX	Nov	486.50	489.25	484.70	489.00	485.35	+0.75
NCDEX	Dec	490.00	492.35	487.80	492.10	488.45	+0.74
NCDEX	Jan	493.00	494.65	491.00	494.45	491.30	+0.64
MCX	Oct	482.05	483.00	481.40	481.65	482.05	-0.08
MCX	Nov	486.80	489.35	484.85	489.10	485.45	+0.75
MCX	Dec	489.70	492.20	487.60	492.00	487.90	+0.84
MCX	Jan	492.95	494.45	490.50	493.75	491.30	+0.50

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	18.10.07	17.10.07	Change
Crude Soy Oil	951	956	-5
Crude Palm Oil	890	885	+5
Sunflower Oil	1425	1425	Nil

## ■ PALM OIL

### International Highlights

#### BMD CPO Futures Settle Up

The recent decision by NAFED and light correction on crude oil and soy oil on CBOT cast foundation for bullish recovery on crude palm oil futures on Bursa Malaysian Derivatives. The most active January contract of CPO settled up MYR 21 to MYR 2,735 per tonne. However, markets maintained the yesterday weakness to mid session under profit taking, and weak undertone on CBOT. Traders are expecting, CPO futures is expecting to stay near MYR 2,700 per tonne in medium term on underlying firm sentiments of demand and supplies. Trading volume declined and totaled at 13,692 lots from 14,291 lots yesterday and open interest remained at 50,451 lots from 50,978 lots on Wednesday.

### Domestic Spot Market Highlights

The latest release of Directorate General of Foreign Trade (DGFT) mentioning imposition of ban on import of palm oil product through Kochi port had mixed reaction in domestic markets and palm oil prices remained mixed with firm undertone. The festive demand turned flat as edible oil prices is soaring. After reopening, Indonesian market turned bullish on following sharp gains on BMD, although trade activities remain thin. The CIF prices of crude palm oil for November shipment increased on Thursday to \$890 per tonne from \$885 per tonne on Wednesday. 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 (18.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov 07	2790	2790	2823	2765	2817	+27	753
Dec 07	2740	2750	2767	2710	2759	+19	2889
Jan 08	2714	2724	2735	2680	2735	+21	8101
Feb 08	2695	2704	2714	2674	2711	+16	1729
March 08	2687	2683	2705	2680	2705	+18	194

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	18.10.07	17.10.07	Change
Kandla CPO (5 % FFA)	422	424	-2
Kandla RBD Palmolein +VAT	454	454	Nil
Mumbai RBD Palmolein +VAT	472	470	+2
Chennai RBD Palmolein +VAT	480	488	-8
Kakinada RBD Palmolein +VAT	475	475	Nil
Hyderabad RBD Palmolein +VAT	505	505	Nil
Delhi RDB Palmolein	500	500	Nil

## OTHERS

### Rape/Mustard oil

Anticipation for Rabi mustard production could decline due to current unfavorable weather conditions and prevailing good demand, remain supportive for mustard oil domestically. The supplies remained thin to existing demand also lent some support. Average prices of mustard seeds also rose sharply from Rs. 2,150 per qtl to 2,275 per qtl aided some bullish support. Traders are expecting price not to come down in next couple of days ahead.

### Groundnut Oil

Despite sharp increase in groundnut production, oil prices is not expecting to sell at cheaper prices and exports are eyeing the groundnut oil exports to America, Brazil and China due to crop failure in these countries. Since last two years, groundnut could not exported to these nations, as crop production was good there. Despite some crop damage, groundnut production in Saurashtra is expecting at 20 lakh tonnes, which is 6 lakh tonnes higher to last year. The shelled groundnut of different quality remained unchanged on Thursday at Rs. 410-465 per 20 kg as compared to previous day in different markets in Gujarat.

### Refined Sunflower Oil

The firmness in overseas markets and bullish undertone in others edible oil supported prices of refined sunflower oil in major trading centres. The harvesting pace of sunflower seeds is continues in Ukraine and South Russia but the recent light rainfall might cause brief interruption. The CIF prices of sunflower oil for November shipment remained unchanged on Thursday at \$1425 per tonne from yesterday. The underlying firmness in domestic and international markets would remain supportive to sunflower oil in short-term.

### Refined Cottonseeds Oil

Physical prices of refined cottonseeds oil remained in weak tone on outpaced supplies to demand. The conflict between traders and farmers over support prices of cotton turned trades activities to a standstill in Rajkot markets, which is added the firm tone to oil prices. Traders remained supportive for weakness in oil prices in near-term on more arrivals to demand.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	18.10.07	17.10.07	Change
Mumbai (Exp. Oil) +VAT	493	495	-2
Kota (Exp. Oil)+VAT	481	480	+1
Jaipur (Exp. Oil)+VAT	486	485	+1
Delhi (Exp. Oil)	510	515	-5
Neewai (Exp. Oil) +VAT	480	478	+2

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	18.10.07	17.10.07	Change
Mumbai +VAT	660	650	+10
Rajkot +VAT	620	610	+10
Hyderabad +VAT	640	640	Nil
Chennai +VAT	585	600	-15
Delhi	700	705	-5

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	18.10.07	17.10.07	Change
Mumbai +VAT	610	605	+5
Chennai +VAT	620	620	Nil
Hyderabad	605	605	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	18.10.07	17.10.07	Change
Mumbai +VAT	490	497	-7
Hyderabad +VAT	512	514	-2
Rajkot + VAT	485	490	-5
Delhi	470	470	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		18.10.07	17.10.07
USA	Dollar	39.47	39.68
European Union	Euro	56.18	56.23
Japan	100 Yen	33.86	34.10
United Kingdom	Pound Sterling	80.59	80.53



## 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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