

## REFINED SOY OIL

Oct 15, 2007

### SPOT MARKET:

Prices of refined soy oil traded on higher side on steady demand, firmness in others edible oil and slightly bullish USDA monthly S&D reports. However, trades activities remained thin due to confusion over celebration of Id-ul-Fitr either on Saturday or Sunday. However, the gains were capped by weakness on CBOT soy futures. As per USDA report, October world soy oil ending stocks is projected at 2.93 mmt from 2.82 mmt in September's projection. October world soy oil production is forecasted at 37.69 up from 37.62 mmt last month projection. India's October soy oil production and usage projection is expecting at 1.29 mmt and 2.80 mmt up from 1.23 mmt and 2.79 mmt October's projection, respectively. The CIF prices of crude soy oil for October shipment fell on Saturday to \$941 per tonne from \$951 per tonne on Friday, whereas remained in range of \$926-951 per tonne during the week.

### FUTURES MARKET:

Follow-through buying interest fuelled **NCDEX** refined soy oil futures despite weak tone on overnight CBOT. The **November** futures contract of refined soy oil open at Rs. 482 per 10 kg to previous close of Rs. 483.20 per 10 kg. The futures contract closed marginally down at Rs.483.1 per 10 Kg.

Continuous buying interest manages to support refined soy oil futures on **MCX** from early weakness beside weak global cues. The November futures contract opened at Rs. 481.40 per 10kg against previous closing of Rs. 483 per 10kg. The prices settled up at Rs.483.75 per 10 Kg.

### PRICE DRIVERS:

- Mixed CBOT soy futures
- Domestic soy oil usage is expecting to increase in 2007/08
- Slightly bullish USDA monthly world S&D report
- Strengthening rupee over dollar makes import cheaper
- Crude soy oil CIF prices declined by \$10 to 941 per tonne
- Subdued trade activities due to celebration of Id-ul-fitr
- New soybeans arrivals with high moisture content (15-18%)

### WEATHER

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

### TECHNICALS

Hollow candlesticks formation suggests, prices traded sideways with indecision. Prices close above 9-days and 18 days EMA, hinting firmness in prices. MACD is rising slowly in negative territory. Stochastic is rising while RSI remains flat in neutral region. Both volume and open interest declined. Prices are likely to trade up with steady to slightly firm opening.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	477	478	483.1	489	490
MCX-Nov.	475	477	483.75	489	490

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil November Contract:**

**BUY** Near 483-483.5; T1 near 485, T2 near 486 and put stop loss at 482.

**MCX Refined Soy Oil October Contract:**

**BUY** Near 484; T1 near 486, T2 near 487 and put stop loss at 483.



**Agriwatch**  
D A I L Y

## ■ REFINED SOY OIL ■

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

Centres	13.10.07	12.10.07	Change
Mumbai (Soy Ref oil)+VAT	470	468	+2
Indore (Soy Ref oil)	462	461	+1
Kota (Soy Ref. Oil)+VAT	474	474	Nil
Hyderabad (Soy Ref)	500	500	Nil
Rajkot (Soy Ref)+Tax	470	470	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	481.10	484.20	481.00	483.30	483.20	+0.02
NCDEX	Nov	482.00	484.40	480.70	483.10	483.20	-0.02
NCDEX	Dec	483.95	487.00	483.95	486.00	486.40	-0.08
NCDEX	Jan	486.70	489.90	486.70	489.10	489.10	0.00
MCX	Oct	480.90	482.35	480.90	482.05	481.45	+0.12
MCX	Nov	481.40	484.35	480.70	483.75	483.00	+0.16
MCX	Dec	483.50	486.90	483.50	486.20	485.50	+0.14
MCX	Jan	487.80	489.20	487.80	488.65	488.40	+0.05

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	13.10.07	12.10.07	Change
Crude Soy Oil	941	951	-10
Crude Palm Oil	NA	880	-
Sunflower Oil	1440	1440	Nil

## ■ PALM OIL

### International Highlights

**BMD CPO Futures Remained Closed on Saturday.**

### Domestic Spot Market Highlights

Physical prices of palm oil remained weak on weekend on steady demand and subdued trade activities. During the week, the prices of palm oil improved significantly on string of festivals (Id-ul-Fitr, followed by Navratra and Dussherra) and bullish trends on BMD as reflected by most active December contract of crude palm oil futures, which traded between MYR2,542-2,731/tonne (MYR2,545-2,618/tonne last week). As well as crude palm oil CIF prices for October shipment traded between \$830-840/tonne (\$835-850/tonne last week). Celebration mood in of week long holidays in Indonesia did not provide clear direction.

### BMD: CPO Futures (12.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2780	2797	2804	2797	2800	+20	52
Nov 07	2710	2729	2779	2729	2779	+69	1695
Dec 07	2680	2677	2742	2677	2731	+51	6031
Jan 08	2660	2675	2718	2665	2718	+58	5313
Feb 08	2655	2664	2709	2664	2709	+54	1529

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	13.10.07	12.10.07	Change
Kandla CPO (5 % FFA)	419	418	+1
Kandla RBD Palmolein +VAT	452	454	-2
Mumbai RBD Palmolein +VAT	458	458	Nil
Chennai RBD Palmolein +VAT	480	475	+5
Kakinada RBD Palmolein +VAT	470	470	Nil
Hyderabad RBD Palmolein +VAT	490	490	Nil
Delhi RDB Palmolein	500	500	Nil

## OTHERS

### Rape/Mustard oil

Physical prices of mustard oil moved up sharply on Saturday amidst tight supplies and underlying firm global cues. Mustard oil also found support from rising seeds prices, which traded firm on improved physical demand and hike in MSP. Good seeds demand from expellers ahead of festivals (Dussehra and Diwali) and sowing demand further sparked the sentiments. Traders are optimistic for further improvement in oil price on expected good festive demand.

### Groundnut Oil

Improve arrivals of new groundnut, sluggish demand pushed down groundnut oil prices in most of trading centres. Prices of shelled groundnut are expecting to stay buoyant while oil prices are likely to step down further as currently nearly 100 mills are operating in Gujarat region and traders are expecting 100 more mills would begin to work by Dussehra. The prices of shelled groundnut in different markets in Gujarat remained unchanged on 2<sup>nd</sup> straight day at Rs. 410-495/20 kg to previous closing prices. Traders are expecting further weakness as mills are likely to achieve full swing in short-term.

### Refined Sunflower Oil

Spot prices of refined sunflower oil traded on higher side on underlying firm global sentiments and expectation of short supplies in 2007/08. As per recent report Ukrainian sunflower seeds oil exports are likely to fall sharply nearly 35% in Oct/Sept 2007/08. The CIF prices of sunflower oil for October shipment remained unchanged on 2 consecutive days at \$1440 per tonne from yesterday. As sunflower seeds arrivals are likely to move sharply in short-term, weakness in oil prices is inevitable.

### Refined Cottonseeds Oil

Steady demand and sharp fall in groundnut oil prices forced refined cottonseeds oil to trade mixed across domestic markets. In 2007/08, total cotton exports may reach to 4.3 million tonnes, which is almost 5% to last year figures. However cotton arrivals pressure still little far from bulk, traders are expecting, prices could fall after Dussehra.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	13.10.07	12.10.07	Change
Mumbai (Exp. Oil) +VAT	489	489	Nil
Kota (Exp. Oil)+VAT	473	466	+7
Jaipur (Exp. Oil)+VAT	482	475	+7
Delhi (Exp. Oil)	500	500	Nil
Neewai (Exp. Oil) +VAT	470	465	+5

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	13.10.07	12.10.07	Change
Mumbai +VAT	700	700	Nil
Rajkot +VAT	660	680	-20
Hyderabad +VAT	680	680	Nil
Chennai +VAT	585	585	Nil
Delhi	700	NA	-

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	13.10.07	12.10.07	Change
Mumbai +VAT	590	585	+5
Chennai +VAT	605	605	Nil
Hyderabad	590	590	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	13.10.07	12.10.07	Change
Mumbai +VAT	490	487	+3
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	490	492	-2
Delhi	470	470	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		13.10.07	12.10.07
USA	Dollar	39.37	39.33
European Union	Euro	55.82	55.74
Japan	100 Yen	33.48	33.54
United Kingdom	Pound Sterling	80.09	79.74



## 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	Palm 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	<b>Raising-om</b>	<b>500</b>	<b>Sunflower oil</b>	<b>Expected (12.10.07)</b>
Port of Mundra	<b>Golden Express</b>	<b>6,000</b>	<b>Soy oil</b>	<b>Expected (17.10.07)</b>

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

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