

REFINED SOY OIL

Oct 03, 2007

SPOT MARKET:

Despite strong fundamentals and good export figures for palm oil exports for September, CPO prices settled lower across BMD. The spill over affect was evident on domestic soy oil complex. Spot prices of soy oil settled lower across spot markets on Monday on account of weak global advices and supply pressure of oilseed crops across spot markets and lack of strength in prices of other edible oils traded across the states. The CIF prices of CDSBO were quoted steady at previous weekend levels of \$ 930/MT. With Centre allowing MMTC and STC to import edible oil manufactured through GM oilseeds, pressure of imported edible oils is inevitable in short term. However, festive consumption and approaching marriage season is likely to support prices of edible oils.

FUTURES MARKET:

Extending follow through weakness, the **October** futures contract of refined soy oil futures opened at Rs. 486.5 per 10 kg to previous closing at Rs. 486.7 per 10 kg. The contract settled down at Rs. 482.5 per 10 Kg.

Prices gapped down after tracking weak global cues. The **MCX** refined soy oil futures for **October** contract opened at Rs. 485.4 per 10kg against previous closing of Rs. 487.05 per 10kg. The prices closed down at Rs. 482.9 per 10 Kg.

PRICE DRIVERS:

- Weak NCDEX and NBOT
- DGFT lifted the ban on importing soy oil extracting from GM soybeans seeds
- MMTC floated bids to import palm oil product
- Weak CPO futures at BMD.
- Steady demand and lackluster trading activities
- Steady CIF prices of CDSBO on Monday.

WEATHER

Occasional rainfall would not effect the production of soybeans but delay in arrivals is likely.

TECHNICALS

Formation of dark candlestick with prominent lower shadow shows predominant selling interest with slight recovery seen at lower level. Prices closed below short term EMA. MACD is falling in positive territory. Both stochastic and RSI are seen dipping in neutral zone. Volume increased and open interest declined. Prices are expected to trade lower on follow through weakness.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	475	477	482.50	486	487
MCX-Oct.	476	477	482.90	487	488

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:

SELL Near 483; T1 near 480, T2 near 478 and put stop loss at 484.

MCX Refined Soy Oil October Contract:

SELL Near 483; T1 near 480, T2 near 479 and put stop loss at 485.



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■ REFINED SOY OIL ■

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

Centres	01.10.07	29.09.07	Change
Mumbai (Soy Ref oil)+VAT	476	478	-2
Indore (Soy Ref oil)	464	467	-3
Kota (Soy Ref. Oil)+VAT	-	474	-
Hyderabad (Soy Ref)	500	505	-5
Rajkot (Soy Ref)+Tax	-	465	-

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	486.50	486.50	480.65	482.50	486.95	-0.91
NCDEX	Nov	482.50	482.50	478.20	479.80	483.50	-0.77
NCDEX	Dec	485.30	486.20	482.50	482.50	487.90	-0.80
MCX	Oct	485.40	485.50	481.50	482.90	487.05	-0.85
MCX	Nov	482.00	482.20	478.35	479.80	483.80	-0.83
MCX	Dec	485.90	485.90	482.50	483.55	488.00	-0.91
MCX	Jan	487.00	487.00	484.10	488.00	489.55	-0.32

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	01.10.07	29.09.07	Change
Crude Soy Oil	930	930	0
Crude Palm Oil	835	NA	-
Sunflower Oil	1425	1368	+57

■ PALM OIL

International Highlights

BMD CPO Futures Traded weak on Monday.

Independent cargo surveyor SGS reported palm oil exports in Sept at 1.42 MMT, up 11.75% on month. Intertek estimated exports at 1.38 MMT, up 11.7% on month. Traders were expecting around 1.33 MMT. As per SGS, India imported around 35,060 MMT of palm oil during September against 34,535 last month. CPO prices settled lower on weak cues for soy oil at CBOT and strong MYR against US Dollar. A strong currency indicates lesser revenue from exports of palm oil. However, traders believe that fundamentals are strong and expect the prices to remain firm in medium term.

Domestic Spot Market Highlights

Spot prices of Palmolein stood weak on Monday on account of weak cues from BMD and lack of strength in prices of other edible oils. Despite healthy exports of palm oil for September, prices of CPO stood weak. Domestically, pressure of kharif oilseed harvest is weighing over prices of oilseeds and hence on edible oils.

BMD: CPO Futures (01.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2687	2681	2690	2670	2673	-14	407
Nov 07	2655	2637	2661	2630	2639	-16	1064
Dec 07	2644	2629	2648	2615	2618	-26	5426
Jan 08	2638	2620	2638	2604	2606	-32	1333
Feb 08	2635	2630	2635	2598	2598	-37	42

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	01.10.07	29.09.07	Change
Kandla CPO (5 % FFA)	415	419	-4
Kandla RBD Palmolein +VAT	454	456	-2
Mumbai RBD Palmolein +VAT	456	452	+4
Chennai RBD Palmolein +VAT	NA	472	-
Kakinada RBD Palmolein +VAT	457	458	-1
Hyderabad RBD Palmolein +VAT	NA	482	-
Delhi RDB Palmolein	500	500	0

OTHERS

Rape/Mustard oil

Tracking weak cues from soy complex edible oil prices settled weak on Monday. Lack of strength in prices of mustard seeds across spot markets couldn't provide support to prices either. NAFED has so far imported around 40,000 MT of edible oils and would import more to meet growing demand only after assessing International prices of CPO and CBSBO

Groundnut Oil

Moving in tandem with prices of groundnut seeds, spot prices of groundnut oil softened on Monday on tracking general weakness in prices of edible oils and expected fresh arrivals in within this fortnight. Kharif groundnut crop in flowering/pegging stage in Karnataka where as pegging/pod filling stage in Andhra Pradesh, Maharashtra, Gujarat. Rainfed groundnut sowing is continues in Tamil Nadu.

Refined Sunflower Oil

Cheaper crude oil prices and poor demand pushed back spot prices of refined sunflower oil in Mumbai while holding firm across Hyderabad. The CIF prices of sunflower oil for October shipment stood at \$ 1425/MT against \$1368 per tonne last weekend. Traders are expecting the upwardly movement in global markets limiting as physical demand behavior reciprocal to higher prices.

Refined Cottonseeds Oil

Weakness in spot prices of refined cottonseeds oil maintained in major trading centres on poor demand and fresh arrivals of cotton crop. As per reports, Country is now emerged the 2nd largest producers after China and overtake US for year 2006/07. Traders are expecting the prices of refined cottonseeds oil to loose further on expecting bulky arrivals. Reports of loss of cotton crops on heavy rains in Saurashtra may underpin prices in near term .

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	01.10.07	29.09.07	Change
Mumbai (Exp. Oil) +VAT	485	487	-2
Kota (Exp. Oil)+VAT	466	466	0
Jaipur (Exp. Oil)+VAT	475	477	-2
Delhi (Exp. Oil)	492	495	-3
Neewai (Exp. Oil) +VAT	NA	466	-

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	01.10.07	29.09.07	Change
Mumbai +VAT	710	715	-5
Rajkot +VAT	780	790	-10
Hyderabad +VAT	680	685	-5
Chennai +VAT	-	665	-
Delhi	770	770	0

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	01.10.07	29.09.07	Change
Mumbai +VAT	570-572	575	-3
Chennai +VAT	-	607	-
Hyderabad	590	585	+5

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	01.10.07	29.09.07	Change
Mumbai +VAT	495	495	0
Hyderabad +VAT	500	505	-5
Rajkot + VAT	-	497	-
Delhi	475-480	495	-15

Forex Rates

Country/ Continent	Currency	Value In Rupees	
		01.10.07	29.09.07
USA	Dollar	39.73	39.74
European Union	Euro	56.63	56.67
Japan	100 Yen	34.51	34.62
United Kingdom	Pound Sterling	81.37	81.02

OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Southern Condor	10,000	Palm oil Product	Expected (03.10.07)
	Oil Ambassador	4,979	CPO	Expected (02.10.07)
	Rosa Tomasos	20,000	CDSBO	Expected (29.09.07)
	Silvia	21,704	CDSBO	Expected (06.10.07)
	Shintoku	14,000	Palm oil Product	Expected (26.09.07)
	Suzanne	10,000	Palm oil	Expected (29.09.07)
New Manglore	World Magesty	7,000	CPO	Berthed (26.09.07)
	Jem of Dehej	6,000	CPO	Expected (28.09.07)
Tuticorin	Jem of Dahej	3,250	Palm oil	Berthed (28.09.07)
	L. Star	5,200	Palm oil	Expected 29.09.07)
Mumbai	Oil Ambassador	8,688	Pal m oil	Expected (04.10.07)

New vessels on chart are in bold.

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