

## REFINED SOY OIL

Oct 04, 2007

### SPOT MARKET:

Sharp fall in CBOT and BMD had spill over impact on NCDEX, MCX and NBOT. This combined with poor demand pushed down physical prices of refined soy oil domestically. Weakness in others edible oil coupled with improving new soybean arrivals in Madhya Pradesh also lent the weakness. Forecast of mainly dry weather in coming days, will support the harvesting of new soybean crop in coming days and more arrivals is likely, which continue to pressure the refined soy oil. Harvesting pressure, weakness in crude oil and hefty deliveries witnessed strong selling pressure on CBOT. The CIF prices of crude soy oil for October shipment declined on Wednesday to \$922 per tonne from \$930 per tonne on Monday. The more soy oil in expecting in the market in coming days from solvent plants as they would prefer to empty their inventories to support the overhauling of plants ahead of fresh crushing by mid October.

### FUTURES MARKET:

Weakness in global markets, soybeans and strong selling pressure depressed NCDEX refined soy oil futures. The **October** futures contract of refined soy oil opened at Rs. 481.05 per 10 kg to yesterday closing at Rs. 482.6 per 10 kg. The contract settled down at Rs. 478.5 per 10 Kg.

Follow-through selling pressure and bearish global cues pushed down the refined soy oil futures on **MCX**. The **MCX** refined soy oil futures for **October** contract opened at Rs. 480.3 per 10kg against previous closing of Rs. 482.7 per 10kg. The prices closed down at Rs. 479 per 10 Kg.

### PRICE DRIVERS:

- Weak NCDEX, MCX and NBOT
- Sharp fall in CBOT and BMD
- Improved soybeans arrivals in Madhya Pradesh
- Weakness in others edible oil
- Poor demand and subdued trade activities
- Crude soy oil CIF price declined by \$10

### WEATHER

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

### TECHNICALS

Dark candlestick with long lower shadow increases selling pressure with recovery seen at lower level. Prices closes well below 9 days and 18 days EMA pointing medium-term weakness. MACD is falling in positive territory. Both stochastic and RSI are falling with neutral region. Volume increased and open interest declined. Prices are expecting to trade down initially with possibility of recovery at lower level in late session.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	473	474	478.50	482	483
MCX-Oct.	472	473	479	483	484

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil October Contract:**

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

**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	03.10.07	01.10.07	Change
Mumbai (Soy Ref oil)+VAT	470	476	-6
Indore (Soy Ref oil)	460	464	-4
Kota (Soy Ref. Oil)+VAT	474	-	-
Hyderabad (Soy Ref)	495	500	-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	481.05	481.05	475.00	478.50	482.60	-0.85
NCDEX	Nov	477.00	480.50	472.20	479.20	479.60	-0.08
NCDEX	Dec	482.20	483.70	477.00	482.30	483.75	-0.30
MCX	Oct	480.30	480.30	477.00	479.00	482.70	-0.77
MCX	Nov	472.50	480.50	472.50	479.45	479.65	-0.04
MCX	Dec	481.10	483.50	478.00	482.50	484.00	-0.31
MCX	Jan	479.00	486.15	479.00	485.65	486.35	-0.14

### CIF Price Basis Kandla Port (\$/MT)

Edible Oil	03.10.07	01.10.07	Change
Crude Soy Oil	922	930	-8
Crude Palm Oil	830	835	-5
Sunflower Oil	1413	1425	-12

## ■ PALM OIL

### International Highlights

#### BMD CPO Futures Finish Down on CBOT

Sharp fall in CBOT and weakness in crude oil dragged the crude palm oil futures on Bursa Malaysian Derivatives on third consecutive day. Week exports demand and fund liquidation added the pressure on market. The most active December futures contract of crude palm oil finished down MYR24 to MYR 2,530 per tonne. Crude trading volume declined to 7,763 lots from 10,187 lots yesterday and open interest declined steady to 45,332 lots from 46,206 lots on Tuesday. However, traders believe that fundamentals are strong and expect the prices to remain firm in medium term.

### Domestic Spot Market Highlights

Sluggish demand, weakness in global markets pushed the domestic market of palm oil to softer side and prices declined in most of markets. The selling pressure on other edible oil from stockists prior to fresh stocks also contributed the weakness. Sharp fall in CBOT and BMD depressed the palm oil in Indonesia, besides this market also witnessed the thin trade activities. The crude palm oil CIF prices of October shipment declined on Wednesday to \$830 per tonne from \$835 per tonne on Tuesday. More weakness in expecting in coming days as huge arrivals of edible oil are expecting in near-term to dragged the market.

#### BMD: CPO Futures (03.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2660	2630	2656	2630	2652	-8	339
Nov 07	2596	2551	2558	2551	2573	-23	1763
Dec 07	2569	2530	2558	2530	2545	-24	4514
Jan 08	2556	2526	2540	2516	2530	-26	948
Feb 08	2548	2533	2533	2512	2520	-28	59

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	03.10.07	01.10.07	Change
Kandla CPO (5 % FFA)	413	415	-2
Kandla RBD Palmolein +VAT	452	454	-2
Mumbai RBD Palmolein +VAT	450	456	-6
Chennai RBD Palmolein +VAT	465	NA	-
Kakinada RBD Palmolein +VAT	450	457	-7
Hyderabad RBD Palmolein +VAT	475	NA	-
Delhi RDB Palmolein	500	500	-

## OTHERS

### Rape/Mustard oil

Sharp fall in global markets on related commodities and poor demand cast weakness on physical prices of mustard oil in domestic markets. Sluggish domestic exchanges (Sirsa, Delhi and Hapur) for mustard seeds had spill over impact on oil. However, meals sentiments are improving both at ports and domestically failed to support the market as expellers remained reluctant to buy seeds in bulk at current prices.

### Groundnut Oil

Arrivals of news groundnut seeds in Gujarat markets and bulky production reports pressurized the seeds prices with spill over impact on groundnut oil. As per reports, traders are expecting the marketable surplus would surpass this year to 13.80 lakh tonnes from 5.80 lakh tonnes last year. The good late rainfall helped production in Andhra Pradesh and it expecting to witness record harvest in approaching days. The ground oil production is likely to see near 5.52 lakh tonne from 2.32 lakh tonne last year. This would depress the prices sharply in coming days.

### Refined Sunflower Oil

Spot prices of sunflower oil resisted the weakness in others edible oil and witnessed the range bound prices in most of market on balance in demand and supplies. The markets sentiments are firm on global side, which underpin the prices. The CIF prices of sunflower oil for October shipment declined on Wednesday to \$1413 per tonne from \$1425 per tonne on Monday. Traders are expecting the upwardly movement in global markets limiting as physical demand behavior reciprocal to higher prices.

### Refined Cottonseeds Oil

Physical prices of refined cottonseeds oil soften further in domestic markets on poor demand and lack of interest of traders for fresh purchasing. The expectation of market may drop sharply in coming days as stockists are concentrating on supplies to limit the losses. Indian cotton production is likely to shoot up to near 300-315 lakh bales (1 bale=170 kg), which is expecting to pressure the market in near-term

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	03.10.07	01.10.07	Change
Mumbai (Exp. Oil) +VAT	480	485	-5
Kota (Exp. Oil)+VAT	463	466	-3
Jaipur (Exp. Oil)+VAT	474	475	-1
Delhi (Exp. Oil)	490	492	-2
Neewai (Exp. Oil) +VAT	463	NA	-

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	03.10.07	01.10.07	Change
Mumbai +VAT	715	710	+5
Rajkot +VAT	750	780	-30
Hyderabad +VAT	680	680	Nil
Chennai +VAT	650	-	-
Delhi	770	770	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	03.10.07	01.10.07	Change
Mumbai +VAT	570	570	Nil
Chennai +VAT	605	-	-
Hyderabad	590	590	-

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	03.10.07	01.10.07	Change
Mumbai +VAT	492	495	-3
Hyderabad +VAT	490	500	-10
Rajkot + VAT	476	-	-
Delhi	465	475	-10

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		03.10.07	01.10.07
USA	Dollar	39.79	39.73
European Union	Euro	56.41	56.63
Japan	100 Yen	34.35	34.51
United Kingdom	Pound Sterling	81.23	81.37



## 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)
	Global Neptune	13,000	Palm oil Product	Expected (10.10.07)
	Samho Heron	10,000	Palm oil Product	Expected (13.10.07)
	Silvia	21,704	CDSBO	Expected (06.10.07)
New Mangalore	Global Eos	11,000	CPO	Expected (06.10.07)
Tuticorin	Starling	8,350	Palm oil	Arrived (24.09.07)
Kolkata	Earth Song	6,450	CPO	Arrived (29.09.07)
	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	Expected (02.10.07)
	Marida Prince	6,200	CPO	Arrived (01.10.07)
Mumbai	Oil Ambassador	8,688	Palm oil	Expected (04.10.07)

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

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