

## REFINED SOY OIL

Oct 11, 2007

### SPOT MARKET:

Physical prices of refined soy oil temporary firmed up in tandem with sharp gains on BMD, which itself moved up strong exports figures for October 1-10 and MPOB data. Market also gains support from overnight firmness on CBOT and hike in Minimum Support Price (MSP) of mustard to Rs. 1,800/qrtl from Rs. 1,715/qrtl earlier. SGS estimated palm oil exports rose sharply 44.8% to 484,670 tonnes from 334,800 tonne same period in September. Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for September. Palm oil exports rose 11.7% to 1.39 mmt from 1.24 mmt a month ago. Crude palm oil production increased 2.7% to 1.60 mmt against 1.56 mmt last month ago while stock improved slightly 0.8% at 1.46 mmt vs 1.45 mmt a month ago. The CIF prices of crude soy oil for October shipment recovered on Wednesday to \$937/tonne from \$926 per tonne on Tuesday.

### FUTURES MARKET:

Firm CBOT and BMD on supportive exports figures strengthened **NCDEX** refined soy oil futures on Wednesday. The **November** futures contract of refined soy oil open at Rs. 477.95 per 10 kg to previous close of Rs. 476.90 per 10 kg. The contract settled higher at Rs.484.1 per 10 Kg.

News buying on CBOT and follow-through buying interest on BMD supported refined soy oil futures on **MCX**. The November futures contract opened at Rs. 479 per 10kg against previous closing of Rs. 477.15 per 10kg. The prices finished up at Rs. 484.1 per 10 Kg.

### PRICE DRIVERS:

- Recovery on BMD and CBOT
- Malaysian Palm oil exports rose 44.8% between October 1-10 exp
- Buying interest of refined soy oil futures on NCDEX, MCX and NBOT
- September Malaysian palm oil stock down by 0.8%
- Government hiked the MSP of mustard to Rs. 1,800/qrtl from Rs. 1,715/qrtl
- Crude soy oil CIF prices recoups \$11 to \$937/tonne

### WEATHER

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

### TECHNICALS

Prices gap open with strong buying interest among traders and closes sharply above to 9/18 days EMA, indicating short-term firmness. MACD is attempts for bullish crossover in negative territory, which is hinting for further upward movement. Stochastic remain flat while RSI is rising in neutral region. Both volume and open interest increased. Prices are likely to move further with possibility of downward on profit taking.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	478	479	481.4	485	486
MCX-Nov.	477	478	481.4	485	486

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil November Contract:**

**BUY** Near 481; T1 near 483, T2 near 484 and put stop loss at 480.

**MCX Refined Soy Oil October Contract:**

**BUY** Near 481; T1 near 483, T2 near 484 and put stop loss at 480.



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D A I L Y

## ■ REFINED SOY OIL ■

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

Centres	10.10.07	09.10.07	Change
Mumbai (Soy Ref oil)+VAT	468	465	+3
Indore (Soy Ref oil)	459	457	+2
Kota (Soy Ref. Oil)+VAT	474	473	+1
Hyderabad (Soy Ref)	500	492	+8
Rajkot (Soy Ref)+Tax	468	465	+3

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	478.60	483.80	477.60	483.80	477.85	+1.25
NCDEX	Nov	477.95	481.70	477.35	481.40	476.90	+0.92
NCDEX	Dec	482.15	484.30	481.10	484.30	480.55	+0.76
NCDEX	Jan	484.50	487.75	484.50	487.75	-	0.00
MCX	Oct	480.90	483.50	478.50	483.00	478.95	+0.85
MCX	Nov	479.00	481.80	477.40	481.40	477.15	+0.89
MCX	Dec	482.00	484.30	484.15	484.30	480.65	+0.76
MCX	Jan	485.55	487.00	484.00	487.00	484.05	+0.61

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	10.10.07	09.10.07	Change
Crude Soy Oil	937	926	+11
Crude Palm Oil	845	820	+25
Sunflower Oil	1430	1405	+25

## ■ PALM OIL ■

### International Highlights

#### BMD CPO Futures Move Up on Positive Data

Renewed buying interest on CBOT and more than expected exports sales reports for October 1-10 by SGS features for sharp gains of crude palm oil futures on Wednesday on Bursa Malaysian Derivatives. As well as Malaysian Palm oil Board (MPOB) highlighted palm oil stock rose merely 0.8% to 1.46 mmt from 1.45 mmt last month also lent support. The most active December contract of CPO finished MYR53 up to MYR2,645 per tonne to previous close. SGS estimated palm oil exports rose sharply 44.8% to 484,670 tonnes from 334,800 tonne same period in September. Trading volume on BMD totaled at 12,503 lots high from 11,438 lots yesterday and open interest stood at 47,088 lots up from 46,288 on Tuesday.

### Domestic Spot Market Highlights

Physical prices of palm oil moved up on spill over impact on sharp gains on CBOT and BMD. As per SGS latest report, nil Malaysian palm oil exports reported to India during October 1-10 from 8,750 tonne during same period in September. Celebration mood of week long festival in Indonesia that starting from Friday, kept the buyers away from the market despite sharp gain on BMD. The crude palm oil CIF price of October shipment recovered on Wednesday to \$845 per tonne from \$820 per tonne on Tuesday. Traders anticipated this firmness in prices is transient and price would come to earlier stage in short-term.

#### BMD: CPO Futures (10.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2683	2710	2755	2700	2753	+70	249
Nov 07	2622	2622	2680	2622	2679	+57	1114
Dec 07	2592	2612	2653	2595	2645	+53	7497
Jan 08	2575	2600	2634	2582	2628	+53	3351
Feb 08	2561	2599	2615	2599	2610	+49	27

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	10.10.07	09.10.07	Change
Kandla CPO (5 % FFA)	415	410	+5
Kandla RBD Palmolein +VAT	450	450	Nil
Mumbai RBD Palmolein +VAT	456	455	+1
Chennai RBD Palmolein +VAT	468	467	+1
Kakinada RBD Palmolein +VAT	462	458	+4
Hyderabad RBD Palmolein +VAT	485	480	+5
Delhi RDB Palmolein	490	490	Nil

## OTHERS

### Rape/Mustard oil

Weakness in others edible oil chopped the gains obtained by hiked in Minimum Support Price of mustard for upcoming Kharif crop. To keeps the faith of farmers and to support acreage in mustard, yesterday government announced hike in MSP. Now the MSP decided at Rs. 1,800/qtl from Rs. 1,715/qtl from earlier. However, the trade activities remained suspended on lack of fresh buying.

### Groundnut Oil

Further improved in groundnut arrivals and weak demand witnessed further fall in groundnut oil prices in Rajkot market with subdued trading in other markets. The expellers are still in wait and watch situation and current waiting seeds prices to come down prior to purchase in bulk. The prices of shelled groundnut in different markets in Gujarat declined on improved arrivals to Rs. 410-495/20 kg on Wednesday from Rs. 410-500 per 20 kg on Tuesday as per variety.

### Refined Sunflower Oil

Spot prices of refined sunflower oil moved up on costlier crude oil and sharp gains in CIF prices. The demand remained steady. Due to higher prices in international market and sunflower arrivals pressure in domestic market, demand on imported oil will be curtail in short-term. The CIF prices of sunflower oil for October shipment rose sharply to \$1430 per tonne from \$1405 per tonne on Tuesday. The overall firmness in overseas market would support the prices in short-term despite arrivals pressure.

### Refined Cottonseeds Oil

On sharp drop in groundnut oil price mainly in Gujarat market also have spill over impact on refined cottonseeds oil and prices remained on softer side to stay in tune with others edible oil. Weakness in meals demand in domestic markets also supported the softer side. Traders are expecting, prices of cottonseeds oil likely to stay buoyant in upcoming festival days.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	10.10.07	09.10.07	Change
Mumbai (Exp. Oil) +VAT	481	480	+1
Kota (Exp. Oil)+VAT	462	462	Nil
Jaipur (Exp. Oil)+VAT	470	470	Nil
Delhi (Exp. Oil)	490	490	Nil
Neewai (Exp. Oil) +VAT	461	461	Nil

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	10.10.07	09.10.07	Change
Mumbai +VAT	700	700	Nil
Rajkot +VAT	690	700	-10
Hyderabad +VAT	680	680	Nil
Chennai +VAT	585	600	-15
Delhi	770	770	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	10.10.07	09.10.07	Change
Mumbai +VAT	575	570	+5
Chennai +VAT	605	602	+3
Hyderabad	585	585	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	10.10.07	09.10.07	Change
Mumbai +VAT	485	485	Nil
Hyderabad +VAT	495	495	Nil
Rajkot + VAT	482	490	-8
Delhi	468	468	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		10.10.07	09.10.07
USA	Dollar	39.34	39.55
European Union	Euro	55.51	55.49
Japan	100 Yen	33.53	33.72
United Kingdom	Pound Sterling	80.17	80.44



## ■ OTHERS

### PORT-WATCH (Latest):

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Southern Condor	10,000	Palm oil Product	Arrived (05.10.07)
	<b>Vale</b>	<b>5,000</b>	<b>Palm oil Product</b>	<b>Arrived (06.10.07)</b>
	SC Sanghai	12,000	Palm oil	Expected (09.10.07)
	Process	18,500	CPO	Expected (08.10.07)
	Global Neptune	13,000	Palm oil Product	Expected (11.10.07)
	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)
New Manglore	<b>RaisinJ Om</b>	<b>500</b>	<b>SFO</b>	<b>Expected (10.10.07)</b>
Tuticorin	Starling	8,350	Palm oil	Arrived (24.09.07)
	L.Star	5,200	Palm oil	Arrived (04.10.07)
Kolkata	Siteam Panther	9,997	Soy oil	Arrived (04.10.07)
	<b>Olympic</b>	<b>9,590</b>	<b>CPO</b>	<b>Arrived (07.10.07)</b>
	<b>Spring Wind</b>	<b>4,000</b>	<b>CPO</b>	<b>Arrived (07.10.07)</b>
	Cielo Di Salerno	8,002	Soy oil	Arrived (29.09.07)
Mumbai	Oil Ambassador	8,688	Palm oil	Expected (07.10.07)
	<b>Pantelis</b>	<b>10,012</b>	<b>Palm oil Product</b>	<b>Expected (09.10.07)</b>
	Global Triton	8,000	Palm oil	Expected (15.10.07)
Chennai	<b>Theresa II</b>	<b>7,380</b>	<b>CPO</b>	<b>Arrived (08.10.07)</b>

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

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