

REFINED SOY OIL

Oct 05, 2007

SPOT MARKET:

Physical prices of refined soy oil fall further to offset poor demand and lackluster trading in major trading centers. Stockists are concentrating on supplies to limit their losses also lent some weakness. However, renewed bulls run in CBOT and BMD capped the losses to certain extent. State Transporting Corporation (STC) has floated bids to import 12,000 tonne of palm oil product (9,000 tonnes of crude palm oil and 3,000 tonnes of RBD olein). The deliveries will be by November 20. Last week MMTC invited bid to import 3,000 tonnes each for CPO and RBD Olein. This would maintain the proper supplies in peak festival days and keep control on upswing in edible oil prices. The CIF prices of crude soy oil recoups on Thursday to \$925 per tonne from \$922 per tonne on Wednesday.

FUTURES MARKET:

Despite firm global cues, strong selling pressure depressed NCDEX refined soy oil futures. The **October** futures contract of refined soy oil opened at Rs. 480 per 10 kg to yesterday closing at Rs. 478.40 per 10 kg. The contract settled down at Rs. 478.30 per 10 Kg.

Follow-through selling pressure dragged the refined soy oil futures on **MCX** and ignored the bullish global advice. The **MCX** refined soy oil futures for **October** contract opened at Rs. 486.9 per 10kg against previous closing of Rs. 478.95 per 10kg. The prices closed up at Rs. 479.15 per 10 Kg.

PRICE DRIVERS:

- Renewed bulls run in CBOT and BMD
- STC ask bid 12,000 tonnes of palm oil production for November shipment
- Improved supplies from stockists
- Improving soybeans arrivals in Madhya Pradesh
- Crude soy oil CIF price recouped by \$3

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 strong selling pressure with tentativeness both at upper and lower level. EMA patterns remains medium-term weak. MACD is on the verge to enter into negative territory. Stochastic and RSI remain weak in neutral zone. Both volume and open interest declined. Market is expects to trade down with steady to weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	473	474	478.30	482	483
MCX-Oct.	472	473	479.15	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.



Agriwatch
D A I L Y

■ REFINED SOY OIL ■

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

Centres	04.10.07	03.10.07	Change
Mumbai (Soy Ref oil)+VAT	468	470	-2
Indore (Soy Ref oil)	455	460	-5
Kota (Soy Ref. Oil)+VAT	473	474	-1
Hyderabad (Soy Ref)	495	495	Nil
Rajkot (Soy Ref)+Tax	463	465	-2

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	480.00	481.00	477.35	478.30	478.40	-0.02
NCDEX	Nov	481.10	481.50	478.00	481.00	479.20	+0.38
NCDEX	Dec	484.00	485.75	482.00	485.00	482.40	+0.54
MCX	Oct	486.90	486.90	477.60	479.15	478.95	+0.04
MCX	Nov	483.50	483.50	478.45	481.20	479.35	+0.39
MCX	Dec	483.80	486.00	482.50	485.00	483.15	+0.38
MCX	Jan	486.80	486.80	486.00	486.00	484.95	+0.22

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	04.10.07	03.10.07	Change
Crude Soy Oil	925	922	+3
Crude Palm Oil	835	830	+5
Sunflower Oil	1412	1413	-1

■ PALM OIL

International Highlights

BMD CPO Futures Finish Recoups

Crude palm oil futures recovered sharply on Bursa Malaysian Derivatives on Thursday on renewed bulls run in CBOT, fresh fundamentals and increased in buying interest. The most active December futures contract of crude palm oil settled up MYR54 to MYR 2,599 per tonne. Talk of depleting stocks in September month as well as improved cash market also lent some support. Crude trading volume declined further to 6,008 lots from 7,763 lots last day and open interest improved marginally to 45,752 lots from 45,332 lots on Wednesday. Traders are expecting CPO futures may breach the psychological barrier of MYR2,620 per tonne again offsetting India move to fresh purchase of palm oil product.

Domestic Spot Market Highlights

Despite recovery in overseas markets from recent weakness, domestic palm oil markets traded on softer side on poor demand and falling others rival edible oil. The winter season is approaching and palm oil demand is declining to certain extent. Currently hike in Indonesia has hurts the exporters and palm oil product sell dropped by 21% (=US\$148.8 million) in August along to US\$684.2 million. The exports duty on CPO raised to US\$622 per tonne from US\$558 per tonne (July). Despite sharp gains in BMD, Indonesia hold the steadiness. The crude palm oil CIF price of October shipment recoups on Thursday to \$835 per tonne from \$830 per tonne on Wednesday.

BMD: CPO Futures (04.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2652	2655	2692	2655	2692	+40	182
Nov 07	2580	2571	2629	2571	2629	+49	745
Dec 07	2545	2540	2600	2540	2599	+54	3774
Jan 08	2530	2525	2585	2525	2584	+54	1020
Feb 08	2520	2550	2571	2546	2571	+51	103

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	04.10.07	03.10.07	Change
Kandla CPO (5 % FFA)	414	413	+1
Kandla RBD Palmolein +VAT	451	452	-1
Mumbai RBD Palmolein +VAT	453	450	+3
Chennai RBD Palmolein +VAT	465	465	Nil
Kakinada RBD Palmolein +VAT	460	450	Nil
Hyderabad RBD Palmolein +VAT	475	475	Nil
Delhi RDB Palmolein	495	500	-5

OTHERS

Rape/Mustard oil

The spot prices of mustard oil traded mostly on softer side on poor demand and improved selling pressure from sellers in most of region. The sentiments for meals are firmer but the poor demand in oil even in these festival days has mixed reaction domestically. The underlying weakness in other edible oil also lent weakness. Current outpaced supplies to demand are likely to support the bears in coming days.

Groundnut Oil

Physical prices of groundnut oil remained on softer side amidst weak demand and strengthening groundnut sentiments domestically. Currently crushers are overhauling their plants are releasing groundnut oil in good quantity due to mid October onward, plants will run in full capacity. This year, the groundnut oil production is expecting near 5.52 lakh tonne from 2.32 lakh tonne last year. This will control the upwardly movement in groundnut oil prices in near-terms.

Refined Sunflower Oil

Following weakness in others edible oil and lack of sustainability at higher price cast weakness for refined sunflower oil domestically. Currently, sunflower arrivals are coming in the markets, which also tends to push the market down. However, slightly firmness in meals capped the gains to certain extent. The CIF prices of sunflower oil for October shipment declined marginally on Thursday to \$1412 per tonne from \$1413 per tonne on Wednesday.

Refined Cottonseeds Oil

Steady demand and subdued trade activities dragged physical prices of refined cottonseeds oil mixed in domestic markets. This year the organic cotton demand is good from importing nations. Currently exports demand is rising nearly 70-80% annually but the organic cotton is catering only 35% to total exports demand. Solvent plants are ready to empty their inventories prior the fresh crushing, this would tend to softened the prices of refined cottonseeds oil in near-term.

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		04.10.07	03.10.07
USA	Dollar	39.56	39.79
European Union	Euro	55.76	56.41
Japan	100 Yen	33.94	34.35
United Kingdom	Pound Sterling	80.30	81.23

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	04.10.07	03.10.07	Change
Mumbai (Exp. Oil) +VAT	476	480	-4
Kota (Exp. Oil)+VAT	461	463	-2
Jaipur (Exp. Oil)+VAT	472	474	-2
Delhi (Exp. Oil)	490	490	Nil
Neewai (Exp. Oil) +VAT	460	463	-3

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	04.10.07	03.10.07	Change
Mumbai +VAT	710	715	-5
Rajkot +VAT	750	750	Nil
Hyderabad +VAT	680	680	Nil
Chennai +VAT	650	650	Nil
Delhi	770	770	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	04.10.07	03.10.07	Change
Mumbai +VAT	565	570	-5
Chennai +VAT	605	605	Nil
Hyderabad	590	590	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	04.10.07	03.10.07	Change
Mumbai +VAT	488	492	-4
Hyderabad +VAT	490	490	Nil
Rajkot + VAT	480	476	+4
Delhi	465	465	Nil

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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.