

REFINED SOY OIL

Oct 06, 2007

SPOT MARKET:

Sluggish demand and firm tone in global markets turned refined soy oil mixed in domestic markets on Friday. Market also borrowed weakness from the prediction of clear weather in major soybeans producing belt, which raised the possibility of more soybeans arrivals are expecting in coming days. Currently solvent plants are focusing on procurement of new soybeans before to start fresh crushing by mid October onwards. In the meanwhile government kept unchanged the base prices and import duty of edible oil. The firm weekly exports sales report, lower yield and delay soybean sowing in northern growing regions (where sowing generally start by late September to early October) strengthened the CBOT. The weekly exports sales of soybeans and soy oil totaled at 666,100 tonnes and 28,600 tonnes vs trade expectation between 650,000-750,000 tonnes and 5,000-10,000 tonnes respectively. The CIF prices of crude soy oil escalated further on Friday to \$937 per tonne from \$925 per tonne on Thursday.

FUTURES MARKET:

Following firm global cues and profit taking strengthened NCDEX refined soy oil futures. The **October** futures contract of refined soy oil opened at Rs. 479.35 per 10 kg to yesterday closing at Rs. 478.30 per 10 kg. The contract settled up at Rs. 481.50 per 10 Kg.

Renewed buying interest and firm advice from global markets supported the refined soy oil futures on **MCX**. The **MCX** refined soy oil futures for **October** contract opened at Rs. 479.65 per 10kg against previous closing of Rs. 479 per 10kg. The prices closed up at Rs. 482 per 10 Kg.

PRICE DRIVERS:

- Firm tone in CBOT and BMD
- Prediction of clear weather in major soybeans producing belts
- Firm tone in other edible oil, which cushion the prices of soy oil
- Higher moisture content in new soybeans that fetching lower prices to low moisture content
- Crude soy oil CIF price improved by \$12

WEATHER

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

TECHNICALS

Light body candlestick with longer upper shadow to lower selling pressure at higher level. Prices close below to both 9-days and 18-days EMA pattern, suggests medium-term weakness in the market. MACD is falling in negative territory. Stochastic made bullish crossover in oversold region whereas RSI is rising in neutral region. Both volume increased and open interest increased. Market is expects to trade down with steady to firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	475	476	481.5	486	487
MCX-Oct.	474	475	482	485	486

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:

SELL Near 481; T1 near 479, T2 near 478 and put stop loss at 482.

MCX Refined Soy Oil October Contract:

SELL Near 481; T1 near 479, T2 near 478 and put stop loss at 482.



■ REFINED SOY OIL ■

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

Centres	05.10.07	04.10.07	Change
Mumbai (Soy Ref oil)+VAT	465	468	-3
Indore (Soy Ref oil)	458	455	+3
Kota (Soy Ref. Oil)+VAT	473	473	Nil
Hyderabad (Soy Ref)	495	495	Nil
Rajkot (Soy Ref)+Tax	463	463	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	479.35	482.65	478.55	481.50	478.30	+0.67
NCDEX	Nov	481.15	482.60	479.70	481.50	480.70	+0.17
NCDEX	Dec	485.50	486.50	483.85	485.00	484.55	+0.09
MCX	Oct	479.65	483.00	479.05	482.00	479.00	+0.63
MCX	Nov	481.60	482.80	479.80	481.30	480.90	+0.08
MCX	Dec	486.80	486.80	484.00	485.00	485.00	0.00
MCX	Jan	487.50	487.50	487.50	487.50	486.55	+0.22

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	05.10.07	04.10.07	Change
Crude Soy Oil	437	925	+12
Crude Palm Oil	835	835	Nil
Sunflower Oil	1423	1412	+11

■ PALM OIL

International Highlights

BMD CPO Futures End Lower on Profit Taking

Crude palm oil futures ended down sharply in late session on Bursa Malaysian Derivatives amidst spurt selling pressure and strong profit taking. However, fundamentals remains strong. The most active December futures contract of crude palm oil settled down MYR29 to MYR 2,570 per tonne. Weakness in crude oil also weighs on CPO futures. Traders are anticipating ample palm oil stocks is available in middle East countries. Crude trading volume just double to 12,746 lots from 6,008 lots yesterday and open interest also improved to 46,542 lots from 45,752 lots on Thursday. In cash market, sellers offered at slightly lower prices but no significant deal is reported on expectation of further fall in prices in near-term.

Domestic Spot Market Highlights

Physical prices of palm oil moved up across domestic markets on improved demand despite weakness in BMD CPO futures. Traders are anticipating, this firmness in temporary and palm oil prices will declined according to selling pressure in others edible oil in coming days. On the other hand, Indonesia palm oil traded thin as most of traders were square off their position on weakness in global market of related commodities. The crude palm oil CIF price of October shipment remained unchanged on Friday to \$835 per tonne on Friday.

BMD: CPO Futures (05.10.2007)

(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	05.10.07	04.10.07	Change
Kandla CPO (5 % FFA)	416	414	+2
Kandla RBD Palmolein +VAT	454	451	+3
Mumbai RBD Palmolein +VAT	454	453	+1
Chennai RBD Palmolein +VAT	467	465	+2
Kakinada RBD Palmolein +VAT	452	450	+2
Hyderabad RBD Palmolein +VAT	475	475	Nil
Delhi RDB Palmolein	497	495	+2

OTHERS

Rape/Mustard oil

In recent past, when the trends in edible oil started declining, expellers lowered their crushing to remains in sync with physical prices of edible oil. This situation is prevailing arise, leading to temporary shortage of mustard oil in major producing regions. This paved the way of mustard oil for further strengthening. Mustard oil release from expellers is also tight that lent some support. Further uptrend may see in near-terms on underlying firm tone in others edible oil.

Groundnut Oil

The prices of groundnut oil traded on higher side in Rajkot market on steady demand and mixed trends in others edible oil. In recently past, Nafed has taken initiative for contract farming by signing the MoUs with state government of Tamil Nadu and Orissa. In Tamil Nadu, it undertakes 50 villages and the focus on cultivation of groundnut and a pulse local variety whereas in Orissa it included 20 villages and cultivate groundnut. The shelled groundnut in different markets in Gujarat declined on Friday to Rs. 410-515 per 20 kg from Rs. 410-525 per 20 kg on Thursday.

Refined Sunflower Oil

Refined sunflower oil remained in bullish-trends on steady demand and firmer global markets. Plantation delay in Argentina and significant losses in production in northern hemisphere helped supported the refined sunflower oil global markets with spill over impact in domestic markets. The CIF prices of sunflower oil for October shipment improved on Friday to \$1423 per tonne from \$1412 per tonne on Thursday.

Refined Cottonseeds Oil

Prices of refined cottonseeds oil traded high in domestically on improved demand and tight supplies. In current year, Gujarat cotton plantation seen up at 9.9 million hectares, which is higher from 9.2 million hectares last year. Traders are expecting prices current prices level is quiet high, which would resist the up trends in near-term.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	05.10.07	04.10.07	Change
Mumbai (Exp. Oil) +VAT	479	476	+3
Kota (Exp. Oil)+VAT	462	461	+1
Jaipur (Exp. Oil)+VAT	470	472	-2
Delhi (Exp. Oil)	490	490	Nil
Neewai (Exp. Oil) +VAT	461	460	+1

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	05.10.07	04.10.07	Change
Mumbai +VAT	710	710	Nil
Rajkot +VAT	755	750	+5
Hyderabad +VAT	680	680	Nil
Chennai +VAT	650	650	Nil
Delhi	770	770	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	05.10.07	04.10.07	Change
Mumbai +VAT	565	565	Nil
Chennai +VAT	605	605	Nil
Hyderabad	590	590	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	05.10.07	04.10.07	Change
Mumbai +VAT	488	488	Nil
Hyderabad +VAT	492	490	+2
Rajkot + VAT	484	480	+4
Delhi	472	465	+7

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		05.10.07	04.10.07
USA	Dollar	39.49	39.56
European Union	Euro	55.76	55.76
Japan	100 Yen	33.88	33.94
United Kingdom	Pound Sterling	80.41	80.30

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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