

## REFINED SOY OIL

Oct 12, 2007

### SPOT MARKET:

Despite improving arrivals pressure of new soybeans, physical prices of refined soy oil remained in bullish-tone on firm global cues and improved demand of line up festivals (Id-ul-Fitr, followed by Navratra and Dussherra). Market also borrowed support from bullish-trends in refined soy oil futures on NCDEX, MCX and NBOT. For October end or 1st week of November deliveries, MMTC has finalized to import 5,500 tonnes of crude palm oil contract at \$800-810 per tonne, on a cost and freight basis. The liquation of edible oil by MMTC will keeps the upside under control in peak festival time. The expectation of good exports demand fuelled BMD, whereas CBOT moved up anticipating bullish USDA monthly world demand and supply report and weather concern in Brazil. In the meanwhile, CIF prices of crude soy oil for October shipment escalated further to \$947 per tonne from \$937 per tonne on Wednesday.

### FUTURES MARKET:

With firm CBOT and BMD and strengthening physical sentiments for festivals **NCDEX** refined soy oil futures finished up marginally on Thursday on heavy profit taking. The **November** futures contract of refined soy oil open at Rs. 482 per 10 kg to previous close of Rs. 481.25 per 10 kg. The contract closed high at Rs.482 per 10 Kg.

Soaring CBOT and BMD cushioned losses by profit taking of refined soy oil futures on **MCX**. The November futures contract opened at Rs. 482.4 per 10kg against previous closing of Rs. 481.8 per 10kg. The prices ended down at Rs.482.30 per 10 Kg.

### PRICE DRIVERS:

- Bulls run on BMD and CBOT
- Improved festive demand supported soy oil prices
- Spiraling refined soy oil futures on NCDEX, MCX and NBOT
- MMTC finalized 5,500 tonne of crude palm oil for October deliveries
- Supportive weather conditions for field work of soybeans harvest
- Crude soy oil CIF prices moved up further \$10 to \$947 per tonne

### WEATHER

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

### TECHNICALS

Filled candlesticks with long upper shadow, indicates strong selling interest at higher level. Prices remain above to 9/18 days EMA, indicating short-term firmness. MACD made bullish crossover in negative territory. Stochastic remain flat while RSI is rising slowly in neutral region. Both volume and open interest increased. Prices are likely trade down with steady to slightly firm opening.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	477	478	482	485	486
MCX-Nov.	477	478	482.3	485	486

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil November Contract:**

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

**MCX Refined Soy Oil October Contract:**

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



## ■ REFINED SOY OIL ■

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

Centres	11.10.07	10.10.07	Change
Mumbai (Soy Ref oil)+VAT	468	468	Nil
Indore (Soy Ref oil)	460	459	+1
Kota (Soy Ref. Oil)+VAT	474	474	Nil
Hyderabad (Soy Ref)	500	500	Nil
Rajkot (Soy Ref)+Tax	468	468	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	484.00	485.50	482.05	482.55	482.85	-0.06
NCDEX	Nov	482.00	484.45	481.00	482.00	482.25	+0.16
NCDEX	Dec	485.55	486.50	482.20	483.10	483.90	-0.16
NCDEX	Jan	488.25	488.90	483.90	484.85	487.75	-0.59
MCX	Oct	483.80	484.90	482.00	482.30	482.75	-0.09
MCX	Nov	482.40	484.65	481.25	482.30	481.35	+0.20
MCX	Dec	484.10	486.75	484.40	483.10	484.00	-0.19
MCX	Jan	487.55	488.80	476.80	484.50	486.05	-0.32

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

Edible Oil	11.10.07	10.10.07	Change
Crude Soy Oil	947	937	+10
Crude Palm Oil	865	845	+20
Sunflower Oil	1440	1430	+10

## ■ PALM OIL

### International Highlights

#### BMD CPO Futures Move Up on CBOT

Crude palm oil futures trapped in bullish-trends on Bursa Malaysian Derivative. Market opened firm tracking gains of CBOT and expectation of strong exports demand will continue to support the market in short-term. As the market touched the high of MYR2,700 per tonne, most of traders preferred profit taking on ideas of too high to support buying further. The most active December contract of CPO finished MYR35 up to MYR2,680 per tonne to previous close..

### Domestic Spot Market Highlights

BMD CPO futures remained firmed on follow through buying interest, strong CBOT and expectation of strong export demand with spill over impact in domestic markets. Spot prices also borrow support from improved festive demand and firmness in others edible oil. In Indonesia, prices of olein and CPO remained steady as most of traders stay away from market on celebration mood of weeklong festival starting next week onwards. The crude palm oil CIF price of October shipment rose sharply on Thursday to \$865 per tonne from \$845 per tonne on Wednesday. Traders are expecting the higher side would remain in control of festival demand.

#### BMD: CPO Futures (11.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2750	2765	2797	2760	2780	+30	232
Nov 07	2679	2691	2730	2679	2710	+31	1104
Dec 07	2645	2656	2700	2642	2680	+35	5980
Jan 08	2628	2640	2680	2623	2660	+32	3218
Feb 08	2614	2620	2655	2619	2655	+41	134

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	11.10.07	10.10.07	Change
Kandla CPO (5 % FFA)	418	415	+3
Kandla RBD Palmolein +VAT	454	450	+4
Mumbai RBD Palmolein +VAT	458	456	+2
Chennai RBD Palmolein +VAT	470	468	+2
Kakinada RBD Palmolein +VAT	470	462	+8
Hyderabad RBD Palmolein +VAT	490	485	+5
Delhi RDB Palmolein	490	490	Nil

## OTHERS

### Rape/Mustard oil

The demand from Uttar Pradesh and bullish talk by Agriculture minister of Rajasthan stressing focus to improve Rabi mustard crop in 3 million hectares strengthened mustard oil prices in Rajasthan with spill over impact in domestic markets. Rajasthan contributes nearly 40% of total mustard production and last year produced in 2.7-2.9 million hectares. Prices of mustard oil will stay in firm tone in short-term, traders added.

### Groundnut Oil

With the operation of nearly 100 mills in Gujarat region, physical prices of groundnut oil remained in softer side albeit firmness in other edible oil cushioned the losses. Traders are expecting nearly 100 more mills would start work by Dusshehra. This year, groundnut area in Saurashtra region has shrunk by nearly 15%, which is fail to pressured the market on arrivals time. The prices of shelled groundnut in different markets in Gujarat remained unchanged on Thursday at Rs. 410-495/20 kg to previous closing prices.

### Refined Sunflower Oil

Physical prices of sunflower oil stood in firmer side on costlier crude oil prices and firmed global market of related commodities. Although, market is receiving the sunflower seeds arrivals but insufficient arrivals failed to control the upswing in prices. 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

The improved demand and firmness in others edible oil have driven the prices of refined cottonseeds oil in major trading centres. The new cotton crop has started arriving in Tamil Nadu, Gujarat, Madhya Pradesh and Maharashtra but arrivals yet to pick up. This capped the gains of refined cottonseeds oil to certain extent.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	11.10.07	10.10.07	Change
Mumbai (Exp. Oil) +VAT	487	481	+6
Kota (Exp. Oil)+VAT	464	462	+2
Jaipur (Exp. Oil)+VAT	474	470	+4
Delhi (Exp. Oil)	490	490	Nil
Neewai (Exp. Oil) +VAT	463	461	+2

### Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	11.10.07	10.10.07	Change
Mumbai +VAT	700	700	Nil
Rajkot +VAT	690	690	Nil
Hyderabad +VAT	680	680	Nil
Chennai +VAT	585	585	Nil
Delhi	770	770	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	11.10.07	10.10.07	Change
Mumbai +VAT	575	575	Nil
Chennai +VAT	605	605	Nil
Hyderabad	590	585	+5

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	11.10.07	10.10.07	Change
Mumbai +VAT	485	485	Nil
Hyderabad +VAT	500	495	+5
Rajkot + VAT	488	482	+6
Delhi	468	468	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		11.10.07	10.10.07
USA	Dollar	39.31	39.34
European Union	Euro	55.76	55.51
Japan	100 Yen	33.51	33.53
United Kingdom	Pound Sterling	80.12	80.17

## OTHERS

### PORT-WATCH (Latest):

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Southern Condor	10,000	Palm oil Product	Arrived (10.10.07)
	Chem Lily	4,635	Palm oil Product	Arrived (09.10.07)
	Vale	5,000	Palm oil Product	Arrived (06.10.07)
	SC Sanghai	12,000	Palm oil	Expected (09.10.07)
	Process	18,500	CPO	Expected (10.10.07)
	Global Neptune	13,000	Palm oil Product	Expected (13.10.07)
	<b>Westama</b>	<b>4,000</b>	<b>CPO</b>	<b>Expected (15.10.07)</b>
	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)
Kolkata	Siteam Panther	9,997	Soy oil	Arrived (04.10.07)
	Olympic	9,590	CPO	Arrived (07.10.07)
	Cielo Di Salerno	8,002	Soy oil	Arrived (29.09.07)
Mumbai	Oil Ambassador	8,688	Palm oil	Arrived (07.10.07)
	Pantelis	10,012	Palm oil Product	Arrived (09.10.07)
	Global Triton	8,000	Palm oil	Expected (15.10.07)
Chennai	Theresa II	7,380	CPO	Arrived (08.10.07)

**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.