

## REFINED SOY OIL

Oct 09, 2007

### SPOT MARKET:

Sharp fall on NCDEX, MCX and NBOT along with poor demand pressurized physical prices of refined soy oil domestically. Weakness in others edible oil coupled with improved selling activities by stockists aided the pressure on soy oil. New soybean arrivals improved in Madhya Pradesh and Maharashtra also lent the weakness. Solvent plants are currently focusing on procurement of soybeans before to start crushing in bulk to meet the deliveries commitment of soymeals in October-November. This will add huge supplies of soy oil in the market during same period. The CIF prices of crude soy oil for October shipment remained unchanged on Monday at \$932 per tonne to last day price. With Centre allowing MMTC and STC to import edible oil manufactured through GM oilseeds, pressure of imported edible oils is inevitable in short term.

### FUTURES MARKET:

Following weak CBOT and follow-through selling pressure pushed down **NCDEX** refined soy oil futures on Monday. The **November** futures contract of refined soy oil open at Rs. 476.50 per 10 kg to previous close of Rs. 478.60 per 10 kg. The contract settled down at Rs. 474 per 10 Kg.

Follow-through selling interest and bears run in overseas market of related commodities dragged the refined soy oil futures on **MCX**. The November futures contract opened at Rs. 477.40 per 10kg against previous closing of Rs. 478.80 per 10kg. The prices closed down at Rs. 474.35 per 10 Kg.

### PRICE DRIVERS:

- Weak BMD
- Sharp fall in refined soy oil on NCDEX, MCX and NBOT
- Weakness in other edible oil
- Improved selling activities by stockists
- Solvent units are procuring new soybeans
- New soybeans is coming with higher % of moisture

### 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 selling pressure among traders with slightly tentativeness at both upper and lower level. Prices close well below to 9-days and 18-days EMA, suggests medium-term weakness. MACD is falling in negative territory. Stochastic and RSI is hovering in neutral region. Both volume and open interest increased. Prices are expecting to recover with steady to weak opening.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	471	472	474	479	480
MCX-Nov.	471	472	474.35	479	480

### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil November Contract:**

**BUY** Near 474; T1 near 476, T2 near 477 and put stop loss at 473.

**MCX Refined Soy Oil October Contract:**

**BUY** Near 474; T1 near 476, T2 near 477 and put stop loss at 473.



## ■ REFINED SOY OIL

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

Centres	08.10.07	06.10.07	Change
Mumbai (Soy Ref oil)+VAT	465	465	Nil
Indore (Soy Ref oil)	460	458	+2
Kota (Soy Ref. Oil)+VAT	473	473	Nil
Hyderabad (Soy Ref)	495	495	Nil
Rajkot (Soy Ref)+Tax	465	463	+2

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	480.15	480.15	475.25	476.40	481.40	-1.04
NCDEX	Nov	476.50	477.40	473.60	474.00	478.60	-0.96
NCDEX	Dec	481.70	481.70	477.60	478.15	482.65	-0.93
MCX	Oct	480.50	480.80	476.40	477.70	482.45	-0.98
MCX	Nov	477.40	477.40	473.65	474.35	478.80	-0.93
MCX	Dec	482.20	482.20	478.00	478.00	483.40	-1.12
MCX	Jan	483.90	484.50	482.00	483.00	488.80	-1.19

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	08.10.07	06.10.07	Change
Crude Soy Oil	932	932	Nil
Crude Palm Oil	830	830	Nil
Sunflower Oil	1420	1420	Nil

## ■ PALM OIL

### International Highlights

#### BMD CPO Futures Settle Down On CBOT

Lack of fresh fundamentals, profit taking and Friday's losses on CBOT were main driven forces, which paved the way of settling low of crude palm oil futures on Bursas Malaysian Derivatives. The most active December contract of CPO finished MYR28 down to MYR2,542 per tonne to previous close. Traders remained reluctant for fresh lead and waiting for fresh data of stocks and exports by Malaysian Palm oil Board (MPOB). Weakness in crude oil also lent some weakness. Trading volume on BMD stood at 9,660 lots down from 12,746 lots and open interest totaled 46,872 lots from 46,542 lots yesterday.

### Domestic Spot Market Highlights

Follow-through bears run in BMD has spill over impact in domestic markets and palm oil prices declined albeit steady demand. Prices of others cheaper edible oil (mainly mustard oil and refined cottonseeds oil) also declined pressurized palm oil. Buyers are waiting for further weakness before to fresh buying. Trades activities remained flat in Indonesian due to weak BMD and disinterest of traders for fresh purchase. Physical On the other hand, Indonesia palm oil traded thin as most of traders was square off their position on weakness in global market of related commodities. The crude palm oil CIF price of October shipment remained unchanged on Monday at \$830 per tonne from Saturday.

#### BMD: CPO Futures (08.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2662	2630	2631	2614	2630	-32	166
Nov 07	2601	2590	2590	2665	2571	-30	2072
Dec 07	2570	2555	2561	2536	2542	-28	5752
Jan 08	2555	2543	2544	2520	2526	-29	1645
Feb 08	2541	0	0	0	2541	0	0

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	08.10.07	06.10.07	Change
Kandla CPO (5 % FFA)	412	415	-3
Kandla RBD Palmolein +VAT	450	454	-4
Mumbai RBD Palmolein +VAT	456	456	Nil
Chennai RBD Palmolein +VAT	467	465	+2
Kakinada RBD Palmolein +VAT	457	457	Nil
Hyderabad RBD Palmolein +VAT	480	478	+2
Delhi RDB Palmolein	495	497	-2

## OTHERS

### Rape/Mustard oil

Physical price of mustard oil traded on softer side on steady demand, pressure from weakness in soy oil and groundnut oil. Mustard spot prices traded weak amidst poor offtake against improved arrivals after the mid-week. Sources, reported that the traders are hesitant to buy due to falling oil prices, which imparted bearish tone. The Union Agriculture Ministry has targeted to produce 75.2 lakh MT of rapeseed/ mustard for Rabi 2007-08.

### Groundnut Oil

Improving sentiments for new crop, sluggish demand and lackluster trade activities pressured groundnut complex in major trading centers. But prices recuperated in Rajkot on consolidation. As per trade sources, groundnut in Andhra Pradesh and production is expecting nearly 16.61 lakh tonnes, which is nearly 5 times from last year's 3.33 lakh tonnes against annual average of 12 lakh tonne. While, production in Gujarat is expecting to improve by 20 percent to 25 lakh tonnes to last year. Last year groundnut production hampered due to drought conditions in these regions.

### Refined Sunflower Oil

The spot prices of refined sunflower oil traded mostly range bound on balance in demand and supply. The recent estimates of 2007/08 sunflower plantation of Argentina, highlighted that 10% area has been covered so far with sunflower of projected 2.75 million hectares. This year sunflower crop will surpass (4.5mmt) from 3.6mmt last year. The CIF prices of sunflower oil for October shipment remained unchanged on Monday at \$1420 per tonne against yesterday prices.

### Refined Cottonseeds Oil

Refined cottonseeds oil recovered marginally on steady demand despite weak tone in others edible oil and subdued trade activities. The cottonseeds have start arriving in the market but the pressure requires few more days. Solvent units are waiting for bulk purchasing prior to fresh crushing. So gust of refined cottonseeds are expecting by November beginning.

### Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	08.10.07	06.10.07	Change
Mumbai (Exp. Oil) +VAT	478	479	-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	08.10.07	06.10.07	Change
Mumbai +VAT	710	710	Nil
Rajkot +VAT	725	720	+5
Hyderabad +VAT	680	680	Nil
Chennai +VAT	625	630	-5
Delhi	770	770	Nil

### Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	08.10.07	06.10.07	Change
Mumbai +VAT	565	565	Nil
Chennai +VAT	595	590	+5
Hyderabad	580	580	Nil

### Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	08.10.07	06.10.07	Change
Mumbai +VAT	485	488	-3
Hyderabad +VAT	495	495	Nil
Rajkot + VAT	492	488	+4
Delhi	470	472	-2

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		08.10.07	06.10.07
USA	Dollar	39.43	39.49
European Union	Euro	55.66	55.82
Japan	100 Yen	33.66	33.78
United Kingdom	Pound Sterling	80.44	80.69



## ■ 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)
	<b>Process</b>	<b>18,500</b>	<b>CPO</b>	<b>Expected (07.10.07)</b>
	Global Neptune	13,000	Palm oil Product	Expected (10.10.07)
	<b>Peasus 7</b>	<b>17,000</b>	<b>CPO</b>	<b>Expected (12.10.07)</b>
	Samho Heron	10,000	Palm oil Product	Expected (13.10.07)
New Manglore	Silvia	21,704	CDSBO	Expected (06.10.07)
	Global Eos	11,000	CPO	Expected (06.10.07)
Tuticorin	Starling	8,350	Palm oil	Arrived (24.09.07)
	<b>L.Star</b>	<b>5,200</b>	<b>Palm oil</b>	<b>Arrived (04.10.07)</b>
Kolkata	<b>Siteam Panther</b>	<b>9,997</b>	<b>Soy oil</b>	<b>Arrived (04.10.07)</b>
	Cielo Di Salerno	8,002	Soy oil	Arrived (29.09.07)
	Sima Kazee	7,000	CPO	Arrived (01.10.07)
	<b>Pacific Sound</b>	<b>5,900</b>	<b>CPO</b>	<b>Arrived (02.10.07)</b>
	<b>Marida Prince</b>	<b>6,200</b>	<b>CPO</b>	<b>Arrived (01.10.07)</b>
Mumbai	Oil Ambassador	8,688	Palm oil	Expected (07.10.07)
	<b>Global Triton</b>	<b>8,000</b>	<b>Palm oil</b>	<b>Expected (13.10.07)</b>

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

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