

REFINED SOY OIL

Oct 01st, 2007

SPOT MARKET:

Physical prices of refined soy oil traded mixed on steady demand, weak global cues and weakness in other edible oil. As per reports, Director General of Foreign Trade (DGFT) has lifted the ban on importing soy oil extracting from GM soybeans seeds. This will support the hassle free import from exporting nations like Argentina. In the meanwhile, to maintain the edible oil supplies in domestic markets in peak festive time, state-run trading company, MMTC has invited the bids to import crude palm oil and RBD palm olein from Indonesia and Malaysia in multiples of lots, 1 lot size of 3,000 tonnes. The deliveries will be in October end. Harvest pressure, weakness in wheat and high USDA soybeans stocks triggered the selling pressure on CBOT despite firmness in palm oil and crude oil. The crude soy oil CIF price for October shipment further declined on Saturday to \$930 per tonne from \$939 per tonne on Friday.

FUTURES MARKET:

Weak global cues and fears of oversupplies on recent move by MMTC cast weakness of **NCDEX** refined soy oil futures and market settled down. The most active **October** futures contract of refined soy oil futures opened at Rs. 490.1 per 10 kg to previous closing at Rs. 490.85 per 10 kg. The contract settled down at Rs. 486.7 per 10 Kg to previous close.

The weak global cues and follow-through selling pressure forced down **MCX** refined soy oil futures. The **October** futures contract opened at Rs. 490.10 per 10kg against yesterday closing of Rs. 491.65 per 10kg. The prices closed down at Rs. 487.05 per 10 Kg to yesterday closing.

PRICE DRIVERS:

- Weak NCDEX, MCX and NBOT
- DGFT lifted the ban on importing soy oil extracting from GM soybeans seeds
- MMTC floated bids to import palm oil product
- Weak CBOT soy futures
- Steady demand and lackluster trading activities
- Crude soy oil CIF price declined by \$9 to \$930 per tonne

WEATHER

Occasional rainfall would not effect the production of soybeans but delay in arrivals is likely.

TECHNICALS

Refined soy oil chart shows the strong selling pressure with mild recovery at lower level. Prices settle below to 9-days and 18 days EMA, suggests short-term weakness in the market. MACD is falling in positive territory. Both stochastic and RSI remain is falling in neutral zone. Volume declined and open interest increased. Market is expects to trade down with steady to weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	482	483	486.70	490	491
MCX-Oct.	481	482	487.05	490	491

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:

SELL Near 487; T1 near 485, T2 near 484 and put stop loss at 488.

MCX Refined Soy Oil October Contract:

SELL Near 487; T1 near 485, T2 near 484 and put stop loss at 488.



■ REFINED SOY OIL

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

Centres	29.09.07	28.09.07	Change
Mumbai (Soy Ref oil)+VAT	478	476	+2
Indore (Soy Ref oil)	467	468	-1
Kota (Soy Ref. Oil)+VAT	474	472	+2
Hyderabad (Soy Ref)	505	505	Nil
Rajkot (Soy Ref)+Tax	465	465	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	490.10	490.10	486.10	486.70	490.85	-0.85
NCDEX	Nov	483.60	485.60	482.85	483.75	486.55	-0.58
NCDEX	Dec	487.00	489.20	486.80	487.80	489.90	-0.39
MCX	Oct	490.10	490.50	486.25	487.05	491.65	-0.94
MCX	Nov	485.00	486.00	482.30	483.80	486.80	-0.62
MCX	Dec	488.50	489.50	487.30	488.00	489.20	-0.25
MCX	Jan	489.10	491.00	489.00	489.55	492.30	-0.56

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	29.09.07	28.09.07	Change
Crude Soy Oil	930	939	-9
Crude Palm Oil	NA	850	-
Sunflower Oil	1368	1368	Nil

■ PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Monday.

Domestic Spot Market Highlights

The recent renewed bulls run on BMD and rising crude oil prices failed to support the NCDEX, MCX and physical markets to greater extent. And spot prices of palm oil remained in bearish tone on Saturday on weak demand lackluster trade activities. MMTC also taking the initiative to imports more edible oil to keeps upside in prices in festive season. The CIF prices of crude palm oil for October shipment improved on Friday to \$850 per tonne from \$835 per tonne on Thursday. The BMD is showing the resistance above MYR2,650/tonne. Demand from India likely to improve but more focus of Chinese to import soy oil likely to support the above mention resistance level.

BMD: CPO Futures (28.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2646	2673	2689	2666	2689	+43	561
Nov 07	2615	2645	2660	2635	2655	+40	972
Dec 07	2605	2625	2652	2624	2644	+39	6224
Jan 08	2598	2616	2643	2616	2638	+40	1436
Feb 08	2585	2620	2635	2620	2635	+50	45

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	29.09.07	28.09.07	Change
Kandla CPO (5 % FFA)	419	420	-1
Kandla RBD Palmolein +VAT	456	458	-2
Mumbai RBD Palmolein +VAT	452	452	Nil
Chennai RBD Palmolein +VAT	472	468	+4
Kakinada RBD Palmolein +VAT	458	458	Nil
Hyderabad RBD Palmolein +VAT	482	482	Nil
Delhi RDB Palmolein	500	500	Nil

OTHERS

Rape/Mustard oil

Spot prices of mustard oil traded on softer side on weak demand and lackluster trade. Observers believe that good oilseed production this season is unlikely to meet demand for edible oils despite good crushing across mills. NAFED has so far imported around 40,000 MT of edible oils and would import more to meet growing demand only after assessing International prices of CPO and CBSBO. Late monsoon rains have provided supportive grounds for timely sowing operation for mustard/rapeseed.

Groundnut Oil

Physical prices of groundnut oil moved up a tad on steady demand and prospects of tight supplies. Good crop conditions weak demand and poor trade activities pushed back groundnut complex in major trading centers. With the withdrawal of southwest monsoon, traders are expecting the bulk of new groundnut arrivals is expecting in the markets in next 8-10 days. Kharif groundnut crop in flowering/pegging stage in Karnataka where as pegging/pod filling stage in Andhra Pradesh, Maharashtra, Gujarat. Rainfed groundnut sowing is continues in Tamil Nadu.

Refined Sunflower Oil

Cheaper crude oil prices and poor demand pushed back spot prices of refined sunflower oil in major trading centres. But the overall firmness in overseas market hold the sentiments firm as reflected by steady CIF prices. The CIF prices of sunflower oil for October shipment remained unchanged on 2nd straight day at \$1368 per tonne. Traders are expecting the upwardly movement in global markets limiting as physical demand behavior reciprocal to higher prices.

Refined Cottonseeds Oil

Weakness in spot prices of refined cottonseeds oil maintained in major trading centres on poor demand and fresh arrivals of cotton crop. As per reports, Country is now emerged the 2nd largest producers after China and overtake US for year 2006/07. Traders are expecting the prices of refined cottonseeds oil to loose further on expecting bulky arrivals.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	29.09.07	28.09.07	Change
Mumbai (Exp. Oil) +VAT	487	488	-1
Kota (Exp. Oil)+VAT	466	468	-2
Jaipur (Exp. Oil)+VAT	477	475	+2
Delhi (Exp. Oil)	495	497	-2
Neewai (Exp. Oil) +VAT	466	466	Nil

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	29.09.07	28.09.07	Change
Mumbai +VAT	715	715	Nil
Rajkot +VAT	790	780	+10
Hyderabad +VAT	685	685	Nil
Chennai +VAT	665	665	Nil
Delhi	770	770	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	29.09.07	28.09.07	Change
Mumbai +VAT	575	580	-5
Chennai +VAT	607	605	+2
Hyderabad	585	585	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	29.09.07	28.09.07	Change
Mumbai +VAT	495	495	Nil
Hyderabad +VAT	505	505	Nil
Rajkot + VAT	497	500	-3
Delhi	495	495	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		29.09.07	28.09.07
USA	Dollar	39.74	39.74
European Union	Euro	56.67	56.30
Japan	100 Yen	34.62	34.48
United Kingdom	Pound Sterling	81.02	80.34

OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Southern Condor	10,000	Palm oil Product	Expected (03.10.07)
	Oil Ambassador	4,979	CPO	Expected (02.10.07)
	Rosa Tomasos	20,000	CDSBO	Expected (29.09.07)
	Silvia	21,704	CDSBO	Expected (06.10.07)
	Shintoku	14,000	Palm oil Product	Expected (26.09.07)
	Suzanne	10,000	Palm oil	Expected (29.09.07)
New Manglore	World Magesty	7,000	CPO	Berthed (26.09.07)
	Jem of Dehej	6,000	CPO	Expected (28.09.07)
Tuticorin	Jem of Dahej	3,250	Palm oil	Berthed (28.09.07)
	L. Star	5,200	Palm oil	Expected 29.09.07)
Mumbai	Oil Ambassador	8,688	Palm oil	Expected (04.10.07)

New vessels on chart are in bold.

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