

REFINED SOY OIL

Sept 22nd, 2007

SPOT MARKET:

To remains in sync with BMD and CBOT, refined soy oil futures also firmed up at NCDEX, MCX and NBOT with spill over impact in the physical markets and prices of refined soy oil surged. The costlier soy degum and firm tone in others edible oil also contributed the firmness to soy oil. Sharp rise in rupee to tune off 3.05% during September 20th from September 1st, improved the attractiveness of imports. On September 20th, dollar stood at Rs. 39.91 against Rs. 40.96 on September 1st. This would encourage importers to float new import order of edible oil. The renewed bulls run in CBOT and escalation in crude oil prices remained supportive to BMD. While surge in corn, wheat, weakness in dollar supported CBOT. The weekly exports sales of soybeans and soy oil remained within trade expectation and totaled at 513,600 tonnes and 6,300 tonnes vs trade expectation between 300,000-650,000 tonnes and 1,000-10,000 tonne respectively. Crude soy oil CIF prices for October shipment declined on 2nd straight day to \$935 per tonne from \$938 per tonne on Thursday.

FUTURES MARKET:

Bulls run in global markets of related commodities strengthened **NCDEX** refined soy oil futures on Friday. Traders cautiously dragged the market higher. The most active **October** futures contract of refined soy oil futures opened at Rs. 487.05 per 10 kg to previous closing at Rs.486.05 per 10 kg. The contract settled up at Rs. 490.7 per 10 Kg to previous close.

Despite dull fundamentals and thin trade activities **MCX** refined soy oil ended up on strong bullish global cues. The **October** futures contract opened at Rs. 487.50 per 10kg against yesterday closing of Rs. 486.80 per 10kg. The prices closed up at Rs. 491.3 per 10 Kg to yesterday closing.

PRICE DRIVERS:

- Renewed bulls run in CBOT and BMD
- Firm NCDEX, MCX and NBOT
- Costlier soy degum
- Strengthening rupees against dollar
- Firm tone in others edible oil
- Crude soy oil CIF prices decline further by \$3 to \$935 per tonne

WEATHER

Weather is conducive for good growth of soybean crop.

TECHNICALS

Hollow morobozu candlestick formation indicates strong buying pressure and prices breach the strong resistance level near Rs. 491. Prices remain close well above 9/18 days EMA pointing medium-term firmness in the market. MACD is rising further in the positive territory. Stochastic is attempting for bearish crossover in overbought region, while RSI shows firmness in prices. Both volume and open interest increased. Prices are likely to trade up cautiously with possibility of selling at higher level.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	487	488	490.7	496	497
MCX-Oct.	487	488	491.3	496	497

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:

BUY Near 491; T1 near 493, T2 near 494 and put stop loss at 490.

MCX Refined Soy Oil October Contract:

BUY Near 491; T1 near 493, T2 near 494 and put stop loss at 490.



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D A I L Y

■ REFINED SOY OIL ■

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

Centres	21.09.07	20.09.07	Change
Mumbai (Soy Ref oil)+VAT	475	475	Nil
Indore (Soy Ref oil)	464	462	+2
Kota (Soy Ref. Oil)+VAT	463	463	Nil
Hyderabad (Soy Ref)	495	495	Nil
Rajkot (Soy Ref)+Tax	460	460	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	487.05	491.20	486.80	490.70	486.05	+0.96
NCDEX	Nov	482.10	487.50	482.10	487.45	482.85	+0.95
NCDEX	Dec	488.50	491.00	487.80	486.50	486.50	+0.92
MCX	Oct	487.50	491.60	487.25	491.30	486.80	+0.92
MCX	Nov	487.00	487.95	483.05	482.75	482.75	+0.88
MCX	Dec	487.10	490.80	487.10	485.70	485.70	+1.05
MCX	Jan	489.95	494.00	489.95	493.50	491.25	+0.46

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	21.09.07	20.09.07	Change
Crude Soy Oil	935	938	-3
Crude Palm Oil	830	820	+10
Sunflower Oil	1333	1253	+80

■ PALM OIL

International Highlights

BMD CPO Futures Settle High on Strong Buying

Escalated crude oil prices, renewed bulls run in CBOT and strong buying interest propelled crude palm oil high on Bursa Malaysian Derivatives. The most active December contract of CPO futures remained below to psychological barrier of MYR 2,620 per tonne and settled up MYR 37 at MYR 2,606 per tonne to previous closing level. Higher the level of crude oil is always supportive for palm oil as it stronger the use of palm oil for biodiesel. Trading volume rose sharply to 12,653 lots from 6,790 lots yesterday, while open interest declined to 52,058 lots from 52,970 lots Thursday.

Domestic Spot Market Highlights

Firmness in others edible oil and bulls run in overseas (CBOT and BMD) and domestic exchanges (NCDEX, MCX and NBOT) strengthened physical prices of palm oil, whereas demand remained steady. However, gained were capped by ample stock position of palm oil domestically and lackluster trading. Trading of palm oil and olein remains suspended in Indonesia as traders disinterested for fresh position coupled with stronger rupiah value. The CIF prices of crude palm oil for October shipment increased on Friday to \$830 per tonne from \$820 per tonne on Thursday. Current higher crude oil prices are fuelling the sentiments of bio diesel in overseas markets but higher CPO prices too could lower the dependency on palm oil.

BMD: CPO Futures (21.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2595	2598	2602	2581	2588	-7	666
Nov 07	2575	2590	2590	2566	2579	+4	1726
Dec 07	2571	2584	2584	2556	2569	-2	3701
Jan 08	2560	2571	2571	2547	2558	-2	645
Feb 08	2558	2545	2550	2540	2550	-8	32

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	21.09.07	20.09.07	Change
Kandla CPO (5 % FFA)	420	419	+1
Kandla RBD Palmolein +VAT	458	455	+3
Mumbai RBD Palmolein +VAT	452	452	Nil
Chennai RBD Palmolein +VAT	462	461	+1
Kakinada RBD Palmolein +VAT	448	448	Nil
Hyderabad RBD Palmolein +VAT	464	464	Nil
Delhi RDB Palmolein	495	490	+5

OTHERS

Rape/Mustard oil

The firmer overseas markets and bulls run in domestic exchanges (Hapur, Sirsa and Delhi) strengthened mustard oil prices, albeit steady demand. The trade activities remain weak as market is expecting downward trends in prices of mustard in short-term. Mumbai markets on supportive demand. The await for clear price direction would favor the down-trends in coming days.

Groundnut Oil

Spot prices of groundnut oil traded on higher side on outpaced supplies to demand and firm tone in groundnut prices. The summer-sown groundnut output in Gujarat is expecting at 2.5 mmt from 1.2 mmt a year ago. Kharif groundnut crop in flowering/pegging stages Andhra Pradesh, Karnataka, Maharashtra and Gujarat. The shelled groundnut in different markets in Gujarat traded between Rs. 410-560 per 20 kg (as per quality) up from Rs. 410-550 per tonne on Thursday. Price of groundnut oil is likely to stay steady to slightly weak on underlying weakness in other edible oil.

Refined Sunflower Oil

The again sharp gains in CIF prices of sunflower oil and bullish overseas markets of related commodities helped supported the refined sunflower oil prices domestically. During the week, CIF prices rose sharply \$95 till Friday. The CIF prices of sunflower oil for October shipment increased on Friday to \$1333 per tonne from \$1253 per tonne on Thursday. The costlier crude oil prices and firmness in other edible oil is likely to drag the refined sunflower oil domestically in upcoming days.

Refined Cottonseeds Oil

Following gains in other edible oil especially groundnut oil strengthened refined cottonseeds oil in physical prices. According to trade estimates, upcoming Kharif cotton output is expecting to 22.94 million bales (170 kg), slightly higher from 22.69 million bales last year. Prices must be relax in order to support the demand pressure in coming days, trades added.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	21.09.07	20.09.07	Change
Mumbai (Exp. Oil) +VAT	486	485	+1
Kota (Exp. Oil)+VAT	462	462	Nil
Jaipur (Exp. Oil)+VAT	472	472	Nil
Delhi (Exp. Oil)	500	500	Nil
Neewai (Exp. Oil) +VAT	461	461	Nil

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	21.09.07	20.09.07	Change
Mumbai +VAT	720	725	-2
Rajkot +VAT	800	790	+10
Hyderabad +VAT	685	685	Nil
Chennai +VAT	670	660	+10
Delhi	760	760	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	21.09.07	20.09.07	Change
Mumbai +VAT	575	575	Nil
Chennai +VAT	590	580	+10
Hyderabad	580	580	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	21.09.07	20.09.07	Change
Mumbai +VAT	487	485	+2
Hyderabad +VAT	495	490	+5
Rajkot + VAT	494	490	+4
Delhi	480	480	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		21.09.07	20.09.07
USA	Dollar	39.87	39.91
European Union	Euro	56.19	55.88
Japan	100 Yen	34.74	34.46
United Kingdom	Pound Sterling	80.11	79.88

OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Chem Cosmos	20,248	Palm oil	Expected (19.09.07)
	Bow Plata	8,000	CPO	Berthed (19.09.07)
	Rosa Tomasos	20,000	CDSBO	Expected (24.09.07)
Kolkata	Sea Lustre	2,800	CPO	Arrived (19.09.07)
New Manglore	World Magesty	7,000	CPO	Expected (19.09.07)
Mumbai	Gloabal Neptune	6,000	Palm oil Product	Expected (14.09.07)
	Global Triton	12,000	Palm oil Product	Expected (24.09.07)
	Chem Cosmos	4,000	RBD Palm olein	Expected (24.09.07)

New vessels on chart are in bold.

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