

REFINED SOY OIL

Sept 27th, 2007

SPOT MARKET:

Spot prices of refined soy oil traded on mixed on sluggish demand and weakness in others edible oil. The new soybeans arrivals will likely to arrive in the markets in next 8-10 days provided clear weather conditions. But recent rain in soybeans producing belt could delay the arrivals by 1 week without affecting the output. Indonesian government exempted the 10% Value Added Tax on palm oil products to absorb the up trends in prices and to maintained cooking oil availability domestically. As per reports, to remain in sync with USA and Brazil coupled with expectation of strong exports demand, Argentina August soy oil production improved 11.51% to 578,009 tonnes against 518,329 tonnes a year earlier. Soy oil stock also moved up by 37.29% to 254,217 tonnes vs 185,168 tonnes in 2006. The crude soy oil CIF price for October shipment declined on Wednesday to \$917 per tonne from \$930 per tonne on Tuesday.

FUTURES MARKET:

Exempt of 10% value added tax by Indonesian government had bearish impact on BMD with spill over impact on **NCDEX** refined soy oil futures. The most active **October** futures contract of refined soy oil futures opened at Rs. 494.25 per 10 kg to previous closing at Rs. 494.80 per 10 kg. The contract settled down at Rs. 490.90 per 10 Kg to previous close.

The bearish global cues and profit taking from recent rallies cast weakness on **MCX** refined soy oil futures. The **October** futures contract opened at Rs. 494.00 per 10kg against yesterday closing of Rs. 496.25 per 10kg. The prices closed down at Rs. 491.50 per 10 Kg to yesterday closing.

PRICE DRIVERS:

- Weakness on CBOT and BMD
- Indonesian exempted the 10% Value Added Tax on palm oil product
- New soybeans arrivals could delay due to recent rainfall in soybeans producing belt
- Argentina August soy oil production and stocks increased
- Stockists are waiting for clearer price direction
- Crude soy oil CIF price declined by \$13 to \$917 per tonne

WEATHER

Weather is conducive for good growth of soybean crop.

TECHNICALS

Long, filled candlestick formation indicates strong selling pressure with mild buying at lower level. Prices closed nearer to 9 days EMA, pointing mild firmness in the markets. MACD is turning flat in positive zone. Stochastic is attempting for bearish crossover in overbought region, while RSI is falling in neutral region. Both volume and open interest declined. Prices are likely to trade down with steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	486	487	490.90	495	496
MCX-Oct.	487	488	491.50	496	498

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:

SELL Below 491; T1 near 489, T2 near 488 and put stop loss at 492.

MCX Refined Soy Oil October Contract:

SELL Near 492; T1 near 490, T2 near 489 and put stop loss at 493.



■ REFINED SOY OIL

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

Centres	26.09.07	25.09.07	Change
Mumbai (Soy Ref oil)+VAT	477	480	-3
Indore (Soy Ref oil)	468	469	-1
Kota (Soy Ref. Oil)+VAT	470	465	+5
Hyderabad (Soy Ref)	500	496	+4
Rajkot (Soy Ref)+Tax	463	462	+1

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	494.25	494.25	490.20	490.90	494.80	-0.79
NCDEX	Nov	487.30	487.90	484.15	484.90	489.00	-0.84
NCDEX	Dec	491.70	491.80	488.05	488.95	493.05	-0.84
MCX	Oct	494.00	495.10	491.30	491.50	496.25	-0.96
MCX	Nov	487.60	488.40	484.70	485.50	489.50	-0.82
MCX	Dec	490.80	491.45	488.75	489.55	494.40	-0.98
MCX	Jan	491.90	492.10	491.50	492.10	497.65	-1.12

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	26.09.07	25.09.07	Change
Crude Soy Oil	917	930	-13
Crude Palm Oil	840	845	-5
Sunflower Oil	1388	1338	+50

■ PALM OIL

International Highlights

BMD CPO Futures Fall on CBOT

Fall in crude oil, follow through selling pressure, sluggish CBOT soy futures triggered weakness for crude palm oil futures on Bursa Malaysian Derivatives. Wednesday, market is devoid of big trading companies and sufficient funds liquidity added the bearishness. The most active December contract of CPO declined MYR 43 to MYR 2,612 per tonne. Cash prices also remained weak as most of trade activities remain sidelines. CPO trading volume on BMD increased to 9,212 lots up from 8,691 lots on Wednesday, open interest also declined to 49,322 lots from 49,674 lots on Tuesday.

Domestic Spot Market Highlights

Again physical prices of palm oil failed to sustain at higher prices moved up recently to remains in sync with other edible oil. The weakness in overseas markets of related commodities also aided the supported the subdued prices. From October onwards when new crop will start arrivals in the market, palm oil prices could drop further to facilitate the demand. Indonesian palm oil market witnessed thin trades activities on confusion over 10% removal of Value Added Tax. As edible oil The CIF prices of crude palm oil for October shipment declined on Wednesday to \$840 per tonne from \$845 per tonne on Tuesday. After removal of 10% Value Added Tax by Indonesian government, Malaysian palm oil prices must come down to remain in sync with Indonesia.

BMD: CPO Futures (26.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2681	2665	2665	2640	2640	-41	714
Nov 07	2668	2649	2656	2610	2618	-50	1425
Dec 07	2655	2630	2648	2610	2612	-43	5999
Jan 08	2645	2629	2699	2595	2605	-40	1034
Feb 08	2641	2612	2612	2600	2600	-41	35

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.09.07	25.09.07	Change
Kandla CPO (5 % FFA)	420	421	-1
Kandla RBD Palmolein +VAT	455	460	-5
Mumbai RBD Palmolein +VAT	456	458	-2
Chennai RBD Palmolein +VAT	467	467	Nil
Kakinada RBD Palmolein +VAT	454	456	-2
Hyderabad RBD Palmolein +VAT	472	469	+3
Delhi RDB Palmolein	490	496	-6

OTHERS

Rape/Mustard oil

The spot prices of mustard oil declined slightly as poor demand prevails domestically along with suspended trade activities. Even though, the market is wrap of festive demand, but waiting by traders for further fall in prices contributed the downsides. Weak meals demand both at ports and domestically also added the pressure to certain extent. Traders are expecting, if the ban is impose, prices of mustard oil will increased further.

Groundnut Oil

Despite, weakness in others edible oil and weak global cues, physical prices of groundnut oil traded mostly range bound on balance in demand and supplies. The trade activities remained thin as demand will squeeze as prices of groundnut oil approached high. The weakness in meals demand, however absorb the gains to certain extent. The shelled groundnut in different markets in Gujarat increased on Wednesday and traded between Rs. 410-550 per 20 kg from Rs. 410-545 per 20 kg on Tuesday.

Refined Sunflower Oil

Despite sharp gains in CIF prices by \$50, refined sunflower oil traded mostly range bound on unchanged demand to yesterday. According to Agriculture Secretariat's, Argentina sunflower seeds stocks improved slightly 1.13% to 230,941 tonnes on September 1st from 228,362 tonnes last year. While, sunflower oil stocks down 30.17% to 96,441 tonnes from 138,109 a year ago. The CIF prices of sunflower oil for October shipment increased on Wednesday to \$1388 per tonne from \$1338 per tonne on Tuesday.

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	26.09.07	25.09.07	Change
Mumbai (Exp. Oil) +VAT	486	487	-1
Kota (Exp. Oil)+VAT	464	464	Nil
Jaipur (Exp. Oil)+VAT	472	472	Nil
Delhi (Exp. Oil)	510	501	+9
Neewai (Exp. Oil) +VAT	463	461	+2

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	26.09.07	25.09.07	Change
Mumbai +VAT	720	720	Nil
Rajkot +VAT	810	810	Nil
Hyderabad +VAT	685	685	Nil
Chennai +VAT	665	680	-15
Delhi	760	760	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	26.09.07	25.09.07	Change
Mumbai +VAT	585	585	Nil
Chennai +VAT	605	605	Nil
Hyderabad	585	580	+5

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	26.09.07	25.09.07	Change
Mumbai +VAT	492	492	Nil
Hyderabad +VAT	505	505	Nil
Rajkot + VAT	510	500	+10
Delhi	510	485	+25

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		26.09.07	25.09.07
USA	Dollar	39.70	39.81
European Union	Euro	56.09	56.02
Japan	100 Yen	34.56	34.72
United Kingdom	Pound Sterling	80.10	80.03

■ 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)
	Rosa Tomasos	20,000	CDSBO	Expected (29.09.07)
	Maersk Belfast	16,990	CDSBO	Berthed (24.09.07)
	Southern Condor	10,000	Palm oil Product	Expected (03.10.07)
	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 (23.09.07)
	Rosa Tomosos	7,000	CDSBO	Arrived (21.09.07)
Mumbai	Global Triton	12,000	Palm oil Product	Arrived (24.09.07)
	Chem Cosmos	4,000	RBD Palm olein	Expected (24.09.07)
Tuticorin	Starling	8,350	Palm oil	Arrived (24.09.07)
	Jem of Dahej	3,250	Palm oil	Expected (25.09.07)

New vessels on chart are in bold.

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