

REFINED SOY OIL

Oct 25, 2007

SPOT MARKET:

Sharp gains at BMD and CBOT, steady demand and news of Indonesia will decide the hike in the export taxes on palm oil strengthened spot prices of refined soy oil domestically. In the meanwhile, Indonesia will announce the expected hike in export taxes on CPO on Thursday after calculating the average prices of CPO in Rotterdam for September 20 to October 19th. To wipe off the domestic shortage of palm oil product and to discourage traders, who have stocked for higher premium, State Trading Corporation (STC) floated again the order to import 12,000 tonnes of palm oil products at different ports for November deliveries. The 6,000 tonnes of crude palm oil will be delivery on Kandla port, 3000 tonnes of CPO on Chennai port by November. Beside this STC also seek RBD palm olein between 2,000 tonnes and 3,000 tonnes for Mumbai port deliveries in the November 1-15. The CIF prices of crude soy oil for November shipment moved up on Wednesday to \$961 per tonne from \$957 per tonne to on Tuesday.

FUTURES MARKET:

With firm global cues **NCDEX** refined soy oil futures moved up further on Wednesday. Market also found support from firming soybeans futures. The **November** futures contract of refined soy oil opened at Rs. 489.25 per 10 kg from previous close of Rs. 488.70 per 10 kg. The futures contract closed down at Rs.493.1 per 10 Kg.

Support from news of Indonesia is planning to revise the exports taxes on palm oil and firmed global advice strengthened refined soy oil futures on **MCX**. Futures contract opened at Rs. 490.50 per 10kg against previous closing of Rs. 488.60 per 10kg. The prices settled up at Rs. 493 per 10 Kg.

PRICE DRIVERS:

- Bull run at CBOT and BMD
- Rising refined soy oil futures on NCDEX, MCX and NBO
- Indonesia will determine the hike in export taxes on CPO on Thursday
- STC has floated orders to import 12,000 tonnes on palm oil product
- Weakness in others edible oil
- Crude soy oil CIF prices improved by \$4 to \$961 per tonne

WEATHER

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

TECHNICALS

Candlesticks chart patterns indicate strong buying pressure with mild selling at higher level. EMA remain medium term firm. MACD is rising in positive territory, hinting market may move up further from current level. Stochastic is falling in neutral region whereas RSI advocates firmness in prices. Volume increased significantly while open interest declined. Market is likely to trade up with firm bias.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	487	488	493.1	498	499
MCX-Nov.	487	488	493	498	499

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

Risk lover can **BUY** Near 493.5; T1 near 495, T2 near 496 and put stop loss at 492.8.

MCX Refined Soy Oil November Contract:

Risk lover can **BUY** Near 493.5; T1 near 495, T2 near 496 and put stop loss at 492.8.



REFINED SOY OIL

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

Centres	24.10.07	23.10.07	Change
Mumbai (Soy Ref oil)+VAT	482	480	+2
Indore (Soy Ref oil)	470	468	+2
Kota (Soy Ref. Oil)+VAT	481	480	+1
Hyderabad (Soy Ref)	505	505	Nil
Rajkot (Soy Ref)+Tax	475	475	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	489.25	495.25	489.25	493.10	488.70	+0.90
NCDEX	Dec	493.25	498.45	493.25	496.65	492.60	+0.82
NCDEX	Jan	497.00	501.50	497.00	499.30	496.20	+0.62
MCX	Nov	490.50	495.25	490.25	493.00	488.60	+0.90
MCX	Dec	493.50	497.90	493.50	496.00	492.30	+0.75
MCX	Jan	497.00	500.95	496.65	498.90	495.25	+0.74
MCX	Feb	501.00	501.00	500.00	500.00	496.00	+0.81

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	24.10.07	23.10.07	Change
Crude Soy Oil	961	957	+4
Crude Palm Oil	895	895	Nil
Sunflower Oil	1383	1405	+22

■ PALM OIL ■

International Highlights

BMD CPO Futures Recoup on CBOT

Following overnight firmness at CBOT and thin trades activities, crude palm oil futures rose on Bursa Malaysian Derivatives. News of Indonesia is looking forward to hike in exports taxes on crude palm oil and expectation of bullish export figures for October 1-25 also supported the market. The most active January futures contract of crude palm oil recouped by MYR9 to MYR2,713 per tonne. Trading volume down on Wednesday to 10,625 lots from Tuesday's 12,403 and open interest also declined to 44,867 lots from 45,214 lots on Tuesday.

Domestic Spot Market Highlights

However, Indonesia did not take the decision to hike in crude palm oil export taxes and postponed to Thursday, but it was enough to raised the BMD and national exchanges with spill over impact in domestic palm oil markets. Price moved ins most of markets whereas demand remained steady. The trades activities Indonesia remain suspended on lack of fresh fundamentals and rumor of hike in export taxes. The CIF prices of crude palm oil for November shipment remained unchanged on Wednesday at \$895 per tonne to last day. More weakness in prices in expecting on palm oil on further consolidation and underlying weakness in overseas markets.

BMD: CPO Futures (24.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov 07	2808	2807	2823	2800	2816	+8	1009
Dec 07	2745	2741	2765	2735	2755	+10	1391
Jan 08	2704	2704	2727	2691	2713	+9	5431
Feb 08	2679	2680	2702	2670	2690	+11	2084
March 08	2669	2680	2694	2669	2681	+12	650

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	24.10.07	23.10.07	Change
Kandla CPO (5 % FFA)	426	426	Nil
Kandla RBD Palmolein +VAT	454	454	Nil
Mumbai RBD Palmolein +VAT	479	476	+3
Chennai RBD Palmolein +VAT	505	510	-5
Kakinada RBD Palmolein +VAT	480	475	+5
Hyderabad RBD Palmolein +VAT	501	500	+1
Delhi RDB Palmolein	500	500	Nil

OTHERS

Rape/Mustard oil

Physical prices of mustard oil remained mostly range bound in the domestic markets on balance in demand and supplies and subdued trades activities. Stockists remained reluctant to sell off mustard oil at lower prices due to ideas of Diwali demand would raise the market from current level. Market also found support from rising soy oil prices, which restricted the weakness in the market. Traders are not in favor of sudden weakness but consolidation in prices cannot deny.

Groundnut Oil

With the operation of new plants and welcome arrivals of new groundnut oil coupled with weak demand supported the weaker side in the domestic markets. As per trades sources, more weakness in expecting in prices due to more arrivals pressure from November 1st week onward. However, the downside found some support from firmed sentiments of meals both at ports and domestically. Prices of shelled groundnut of different quality moved up on Wednesday to Rs. 410-466 per 20 kg from Rs. 410-460 per 20 kg on Thursday. As market drop too quickly, weakness from this level is likely in medium term.

Refined Sunflower Oil

Physical prices of refined sunflower oil rose sharply on Wednesday on tight supply and underlying firmness in global markets. Latest data released by Agriculture Secretariat's of Argentina highlighted, sunflower seeds stocks dropped 21.54% to 161,542 tonnes on October 1st from 205,886 tonnes last year. Sunflower oil stock fell 40.84% to 79,985 tonnes from 135,206 a year ago. The CIF prices of sunflower oil for November shipment maintained the downside on Wednesday to \$1383 per tonne from Tuesday's \$1405 per tonne.

Refined Cottonseeds Oil

Despite weakness in others edible oil and sluggish demand, spot prices of refined cottonseeds oil traded on higher side. However, the trades activities remained dull. As per markets sources the cottonseeds plants has start working in Andhra Pradesh that is likely to pushed back the market on apprehension on huge arrivals pressure in short-term.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	24.10.07	23.10.07	Change
Mumbai (Exp. Oil) +VAT	493	492	+1
Kota (Exp. Oil)+VAT	481	481	Nil
Jaipur (Exp. Oil)+VAT	485	485	Nil
Delhi (Exp. Oil)	507	510	-3
Neewai (Exp. Oil) +VAT	480	480	Nil

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	24.10.07	23.10.07	Change
Mumbai +VAT	645	650	-5
Rajkot +VAT	600	600	Nil
Hyderabad +VAT	600	600	Nil
Chennai +VAT	585	585	Nil
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	24.10.07	23.10.07	Change
Mumbai +VAT	645	610	+35
Chennai +VAT	640	640	Nil
Hyderabad	620	620	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	24.10.07	23.10.07	Change
Mumbai +VAT	493	495	+2
Hyderabad +VAT	505	505	Nil
Rajkot + VAT	485	484	+1
Delhi	475	470	+5

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		24.10.07	23.10.07
USA	Dollar	39.57	39.69
European Union	Euro	56.35	56.42
Japan	100 Yen	34.56	34.61
United Kingdom	Pound Sterling	81.01	80.90

■ OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Triton	12,000	Palm oil Product	Expected (2.11.07)
Kandla	Samho Heron	10,000	Palm oil Product	Expected (22.10.07)
	Nogogini	4,500	Palm oil	Expected (2.10.07)
Kolkata	Yong Cheng 17	4,600	CPO	Arrived (16.10.07)
	Fatima	5,000	CPO	Arrived (23.10.07)
	Alkiviadis	15,428	Soy oil	Arrived (19.10.07)
New Mangalore	Earth Song	8,000	CPO	Expected (22.10.07)
	Global Evous	11,030	CPO	Expected (24.10.07)
	Nagogini	6,000	CPO	Expected (30.10.07)
Chennai	Siteam Leopard	12,169	CPO	Arrived (24.10.07)
Turicorin	Spring Glory	4,080	Palm oil	Expected (26.10.07)

New vessels on chart are in bold.

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