

REFINED SOY OIL

Oct 31, 2007

SPOT MARKET:

Today's features of downward correction crude oil and BMD with spill over impact on refined soy oil futures on NCDEX, MCX and NBOT. This failed to influence physical markets of refined soy oil and it found support from rising rival edible oils and festive demand. In the meanwhile, Manipur government is planning to ban the edible oil and food products from Myanmar. Many people were reportedly fell ill after consuming food items from edible oil of neighbour country. Officers found in many occasions the product is coming without labels carrying manufacturing and expiry date. Soy oil on CBOT reached to the highest level since October 15th, 1974. Firmness in crude oil, wheat, corn was seen positive for soy futures. The prevailing hot and dryer weather was also anticipated as it would delay the soybean plantation in Brazil. The CIF price of crude soy oil for November shipment jumped quickly on Tuesday to \$1003 per tonne up from Monday's \$986 per tonne.

FUTURES MARKET:

Strong profit taking from recent rallies and influences of weakness on BMD CPO futures cast weakness for refined soy oil futures on **NCDEX**. However, losses were capped by firmed physical sentiments. The **December** futures contract of refined soy oil opened at Rs. 510.55 per 10 kg from previous close of Rs. 511.40 per 10 kg. The futures contract closed down at Rs.507.9 per 10 Kg.

Mixed advice from overseas markets and underlying bullish soybean sentiments is pushing **MCX** refined soy oil futures. Market also generated support from bullish firm fundamentals of demand and supply. **December** contract opened at Rs. 507.5 per 10kg against previous closing of Rs.511.3 per 10kg. The prices settled down at Rs. 507.75 per 10 Kg.

PRICE DRIVERS:

- Correction on BMD on weakness in crude oil
- Profit taking on NCDEX, MCX and NBOT
- Higher production estimates for soybean in COOIT's latest data
- Manipur government is planning to ban food items from Myanmar
- CBOT soy oil reached the highest level since October 15th, 1974
- Crude soy oil CIF prices improved \$017 to \$1003 per tonne

WEATHER

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

TECHNICALS

Filled candlestick formation suggests selling pressure and prices manage to close above Rs. 505 level. Prices close well above to 9-days and 18-days EMA, advocates medium term firmness. MACD is rising further in positive territory. Stochastic is attempting for bearish crossover while RSI is hovering in overbought region. Prices are likely to move further from current level with steady to weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Dec.	501	502	507.9	514	515
MCX-Dec.	500	501	507.75	514	515

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:

Risk takers can **BUY** Near 507; T1 near 509, T2 near 511 and put stop loss at 506.

MCX Refined Soy Oil December Contract:

Risk takers can **BUY** Below 507; T1 near 509, T2 near 511 and put stop loss at 506.



Agriwatch
DAILY

■ REFINED SOY OIL ■

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

Centres	30.10.07	29.10.07	Change
Mumbai (Soy Ref oil)+VAT	500	494	+6
Indore (Soy Ref oil)	490	486	+4
Kota (Soy Ref. Oil)+VAT	493	493	Nil
Hyderabad (Soy Ref)	510	510	Nil
Rajkot (Soy Ref)+Tax	492	490	+2

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	507.10	508.60	503.25	505.00	509.30	-0.88
NCDEX	Dec	510.30	511.30	506.00	507.90	511.40	-0.71
NCDEX	Jan	511.40	513.75	508.15	510.20	513.90	-0.72
MCX	Nov	507.00	508.50	503.30	504.75	509.20	-0.87
MCX	Dec	507.50	510.85	505.55	507.75	511.30	-0.69
MCX	Jan	511.00	513.35	508.00	510.00	514.15	-0.81
MCX	Feb	519.45	519.45	511.50	511.50	513.25	-0.34

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	30.10.07	29.10.07	Change
Crude Soy Oil	1003	986	+17
Crude Palm Oil	925	NA	-
Sunflower Oil	1370	1333	+37

■ PALM OIL

International Highlights

BMD CPO Futures Witness Profit Taking

The strong profit taking after rallied for 2 straight days and selling pressure led to weakness on crude palm oil futures on Bursa Malaysian Derivatives. However, traders remained optimistic for bullish exports in October and expecting to near MYR1.38 million tonnes, which is close to last month estimates. The most active January futures contract of crude palm oil finished down MYR48 at MYR2,862 per tonne. Market fell merely as compared to total gain of MYR203 on Friday and Monday. Trading volume on the BMD totaled at 12,081 lots down from 16,426 lots on Monday. Open interest also declined to 46,199 lots from 46,239 lots yesterday.

Domestic Spot Market Highlights

With the upward trends in others edible oils, palm oil rose quickly in most of trading centres on improving buying from vanaspati makers amidst festive demand and steady demand. However, the gains were capped by correction in global markets on related commodity. The palm oil prices in Indonesia stood buoyant on firmness in international prices albeit weakness on BMD. The CIF price of crude palm oil for November shipment quoted at \$925 per tonne on Tuesday. Traders are expecting, market is reached too high quickly, so correction from current level is require to keeps the market strength.

BMD: CPO Futures (30.10.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Nov 07	2985	2940	2944	2919	2920	-65	167
Dec 07	2959	2920	2921	2880	2900	-59	1417
Jan 08	2910	2885	2885	2841	2862	-48	6665
Feb 08	2900	2854	2856	2818	2842	-58	2869
March 08	2884	2822	2850	2720	2825	-59	953

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	30.10.07	29.10.07	Change
Kandla CPO (5 % FFA)	445	442	+3
Kandla RBD Palmolein +VAT	484	484	Nil
Mumbai RBD Palmolein +VAT	502	494	+8
Chennai RBD Palmolein +VAT	503	507	-4
Kakinada RBD Palmolein +VAT	495	495	Nil
Hyderabad RBD Palmolein +VAT	505	505	Nil
Delhi RDB Palmolein	520	520	Nil

OTHERS

Rape/Mustard oil

Physical prices of mustard oil improved in Mumbai market under the influence of overseas market, elsewhere stood range bound on balance in demand and supply. However, the prices rise quickly is short succession in past few days and outstripped the demand. As well as market also found support from surging meals sentiments in domestic market that supported the market. Traders are expecting the till Diwali, prices are likely to stay in firmer tone.

Groundnut Oil

The steady demand, slightly weak groundnut arrivals and firmer tone in others edible oil favored the bullish trends in most of markets. In latest figures, COOIT highlighted the total summer sown oilseeds production is expecting at 168.3 lakh tonnes, which is nearly 25% higher to last year's 134.5 lakh tonnes. Out of it groundnut production is estimating at 5.27 million tonnes, high from 3.5 million tonnes a year ago. Prices of shelled groundnut of different quality kept on increasing and reached to Rs.410-492/20 kg on Tuesday from Rs.410-478/20 kg on Monday.

Refined Sunflower Oil

To remains in sync with others edible oil and costlier crude oil supported the bullish trends in refined sunflower oil. The recent heavy rainfall in parts of Andhra Pradesh and Tamil Nadu also support the market on expectation of short supply. The CIF prices of sunflower oil for November shipment moved up further to \$1370 per tonne on Tuesday from \$1333 per tonne on Monday. The firmness in overseas markets and costlier crude oil at ports is likely to underpin the prices in short-term.

Refined Cottonseeds Oil

Physical prices of refined cottonseeds oil maintained firmness across domestic markets on overall firmed overseas markets and steady demand. Mainly market follows the trends in groundnut oil and palm oil, which remain supportive to cottonseeds oil. This year, huge cotton exports is expecting to overseas markets, which underpinned the cottonseeds prices with spill over impact on oil prices.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	30.10.07	29.10.07	Change
Mumbai (Exp. Oil) +VAT	513	NA	-
Kota (Exp. Oil)+VAT	490	490	Nil
Jaipur (Exp. Oil)+VAT	502	502	Nil
Delhi (Exp. Oil)	525	527	-2
Neewai (Exp. Oil) +VAT	490	491	-1

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	30.10.07	29.10.07	Change
Mumbai +VAT	660	650	+10
Rajkot +VAT	630	625	+5
Hyderabad +VAT	630	630	Nil
Chennai +VAT	620	625	-5
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	30.10.07	29.10.07	Change
Mumbai +VAT	645	630	+15
Chennai +VAT	630	615	+15
Hyderabad	650	650	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	30.10.07	29.10.07	Change
Mumbai +VAT	508	505	+3
Hyderabad +VAT	513	513	Nil
Rajkot + VAT	514	508	+6
Delhi	500	505	-5

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		30.10.07	29.10.07
USA	Dollar	39.40	39.38
European Union	Euro	56.69	56.81
Japan	100 Yen	34.42	34.49
United Kingdom	Pound Sterling	81.12	80.96



■ OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Samho Heron	10,000	Palm oil Product	Berthed (22.10.07)
	Nogogini	4,500	Palm oil	Expected (02.11.07)
Kolkata	Fatima	5,000	CPO	Arrived (23.10.07)
New Mangalore	Global Evous	11,030	CPO	Expected (24.10.07)
	Nagogini	6,000	CPO	Expected (30.10.07)
Turicorin	Spring Glory	4,080	Palm oil	Expected (27.10.07)
	Spring Wind	4,000	Palm oil	Expected (29.10.07)

New vessels on chart are in bold.

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