

■ REFINED SOY OIL

■ Oct 29, 2007

SPOT MARKET:

Physical prices of refined soy oil rose sharply on Saturday under strong influence of overseas markets mainly crude oil, which touched \$92.22/barrel on Friday. Demand remained steady with reports of shortage of soy oil in physical markets. Saturday's features of jump in refined soy oil futures above psychological barrier of Rs. 500 per 10 kg on NCDEX, MCX and NBOT also lent some support across domestic markets. Currently the soybean and soy oil prices are soaring in China as crushers are facing the supplies shortage of soybean. This is because of recent heavy snowfall in major producing regions blocked the transportation. Soy oil price is also rising anticipating palm oil demand may switch to soy oil. As weather is turning cold demand of palm oil demand usually compress. The CIF price of crude soy oil rose sharply on Saturday to \$989 per tonne from \$977 per tonne on Friday, whereas traded between \$957-989 per tonne in last week.

FUTURES MARKET:

To remain in line with overseas markets and domestic firmed soybean sentiments, **NCDEX** soy futures moved up sharply. Market also found support on ideas of tight supplies till Diwali. The **November** futures contract of refined soy oil opened at Rs. 496 per 10 kg from previous close of Rs. 496.75 per 10 kg. The futures contract closed up at Rs.505 per 10 Kg.

Rising global markets and bullish domestic development pushing **MCX** refined soy oil futures. Market also generated support from bullish firm fundamentals and rising soybeans futures. November contract opened at Rs. 496.30 per 10kg against previous closing of Rs.496.7 per 10kg. The prices settled up at Rs. 504.35 per 10 Kg.

PRICE DRIVERS:

- Refined soy oil futures breached psychological barrier of Rs. 500/10 kg on NCDEX, MCX and NBOT
- Rise soybean prices domestically
- Soybean shortage in China on recent snowfall
- Farmers reluctant to sell of soybean at current prices, expecting further improvement in short-term
- Firmness in others edible oil
- CIF prices of crude soy oil moved up by \$12 to \$989 per tonne

WEATHER

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

TECHNICALS

Hollow marubozu candlestick formation indicates strong buying interest among traders and market breached psychological barrier of Rs. 500/10 kg level and made afresh highs. Prices close sharply higher to 9-days and 18-days EMA, suggest strong firmness. MACD is rising in positive territory. Stochastic continue to rise in neutral zone. While RSI is hovering in overbought region. Prices are likely to rise further cautiously with possibility of downward correction

**SUPPORT / RESISTANCES:**

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	497	498	505	510	511
MCX-Nov.	497	498	504.35	510	511

TRADE RECOMMENDATION:**NCDEX Refined Soy Oil November Contract:**

Risk takers can **BUY** Near 505.5; T1 near 507, T2 near 508 and put stop loss at 504.8.

MCX Refined Soy Oil October Contract:

Risk takers can **BUY** Near 505; T1 near 507, T2 near 508 and put stop loss at 504.3.



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D A I L Y

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

Centres	27.10.07	26.10.07	Change
Mumbai (Soy Ref oil)+VAT	493	487	+6
Indore (Soy Ref oil)	483	475	+8
Kota (Soy Ref. Oil)+VAT	492	490	+2
Hyderabad (Soy Ref)	508	505	+3
Rajkot (Soy Ref)+Tax	485	478	+7

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	496.00	505.15.	496.00	505.00	496.75	+1.66
NCDEX	Dec	500.85	507.00	498.65	506.90	499.80	+1.42
NCDEX	Jan	503.10	509.40	501.50	509.00	502.40	+1.31
MCX	Nov	496.30	505.25	496.20	504.35	496.70	+1.54
MCX	Dec	499.00	506.85	497.00	506.35	499.40	+1.39
MCX	Jan	504.00	508.55	504.00	508.05	501.85	+1.24
MCX	Feb	507.00	509.90	507.00	508.60	500.50	+1.62

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	27.10.07	26.10.07	Change
Crude Soy Oil	989	977	+12
Crude Palm Oil	NA	910	-
Sunflower Oil	1313	1328	-15

■ PALM OIL

International Highlights

BMD CPO Futures Remain Closed on Saturday.

Domestic Spot Market Highlights

Shortage in ports, tight import and steady demand pushed up prices of palm oil across domestic markets. To quell the uptrend in edible oil, government announced to import 86,500 tonnes more edible oil though govt run agencies like STC, MMTC and PEC in addition to 38,500 MT that already contracted so far by these agencies. The most active January 08 contract of crude palm oil futures traded between MYR2,704-2,800/tonne (MYR2,714-2,767/tonne last week). In current week, crude palm oil CIF prices for November shipment traded between \$880-910/tonne (\$880-890/tonne last week).

BMD: CPO Futures (27.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov 07	2805	2850	2899	2850	2896	+91	1191
Dec 07	2748	2888	2847	2786	2847	+99	2901
Jan 08	2707	2740	2800	2738	2800	+93	12106
Feb 08	2684	2715	2770	2714	2770	+86	4206
March 08	2680	2730	2754	2715	2754	+74	1825

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.10.07	26.10.07	Change
Kandla CPO (5 % FFA)	440	432	+8
Kandla RBD Palmolein +VAT	477	474	+3
Mumbai RBD Palmolein +VAT	497	487	+10
Chennai RBD Palmolein +VAT	505	505	Nil
Kakinada RBD Palmolein +VAT	490	482	+8
Hyderabad RBD Palmolein +VAT	505	505	Nil
Delhi RDB Palmolein	515	510	+5

OTHERS

Rape/Mustard oil

The Rabi oilseeds plantation in the October 1-25 totaled at 1.36 million hectares down from 1.75 million hectares last year. The most important among oilseeds, i.e. rapeseed/mustard sowing is lagging and stood at 891,000 hectares from 1.25 million hectares a year ago. This is due to prevailing dry weather impeding the sowing progress. Besides market also found support from firmness in mustard seeds prices domestically.

Groundnut Oil

With the arrivals of new groundnut oil as nearly 150 mills are currently crushing, groundnut oil prices traded weak across domestic markets but recovered toward weekend on consolidation. As Kharif groundnut crop is in mostly maturity/harvesting stage, its arrivals are like to improve significantly from 80,000-125,000 bags to 1.5-2 lakh bags from November 1st week onward. Prices of shelled groundnut of different quality increased to Rs. 410-478 per 20 kg on Saturday from Rs. 410-470 per 20 kg on Friday.

Refined Sunflower Oil

Yesterday sharp declined in CIF price somehow manage to pressure the market but sharp gain in soy oil futures on national exchanges on Saturday have strengthened the refined sunflower oil in domestic markets. The CIF prices of sunflower oil for November shipment decline further on Saturday to \$1313 per tonne from \$1328 per tonne on Friday. With arrivals of more sunflower oil in short-term as solvent plants are running, weakness in sunflower oil is likely in short-term.

Refined Cottonseeds Oil

Tracking others edible oil and supply shortage by solvent plants pushed up physical prices of refined cottonseeds oil across domestic markets. Demand remained steady. In prevailing conditions, stockists have learnt to hold up their stocks on expectation of further improvement in prices in short-term. Till Diwali, refined cottonseeds oil is likely to trade range bound to slight firm and sharp weakness in expecting, then

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	27.10.07	26.10.07	Change
Mumbai (Exp. Oil) +VAT	509	497	+12
Kota (Exp. Oil)+VAT	492	490	+2
Jaipur (Exp. Oil)+VAT	502	498	+4
Delhi (Exp. Oil)	515	510	+5
Neewai (Exp. Oil) +VAT	492	490	+2

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	27.10.07	26.10.07	Change
Mumbai +VAT	650	650	Nil
Rajkot +VAT	625	615	+10
Hyderabad +VAT	615	620	-5
Chennai +VAT	620	620	Nil
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	27.10.07	26.10.07	Change
Mumbai +VAT	630	615	+15
Chennai +VAT	610	605	+5
Hyderabad	640	625	+15

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	27.10.07	26.10.07	Change
Mumbai +VAT	495	495	Nil
Hyderabad +VAT	511	510	+1
Rajkot + VAT	495	492	+3
Delhi	485	480	+5

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		27.10.07	26.10.07
USA	Dollar	39.30	39.51
European Union	Euro	56.56	56.76
Japan	100 Yen	34.40	34.54
United Kingdom	Pound Sterling	80.62	81.16

■ 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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