

REFINED SOY OIL

Oct 13, 2007

SPOT MARKET:

With firm global cues and improved demand, spot prices of refined soy oil improved further in most of centres. Although soybeans harvesting in full swing in Madhya Pradesh, Rajasthan and Maharashtra, which failed to fulfill the strong demand from stockists and solvent plants also lent some support. Soy oil also find support from firmness in others edible oil. On the others hand, firm CBOT supported BMD along with expectation of strong exports demand, which itself boosted on delay in soybeans sowing in Brazil on dry weather conditions and expectation of bullish USDA reports (weekly and monthly). The CIF prices of crude soy oil for October shipment continuous to rise and moved up to \$951 per tonne on Friday from \$947 per tonne on Thursday. Due to festive season, lack of sufficient laborers, record soybeans harvest progress could be delay, which will likely to underpin the prices of refined soy oil in short-term.

FUTURES MARKET:

With firm CBOT and BMD and strengthening physical sentiments for festivals **NCDEX** refined soy oil futures finished up. The **November** futures contract of refined soy oil open at Rs. 481.9 per 10 kg to previous close of Rs. 481.65 per 10 kg. The contract closed high at Rs.483.2 per 10 Kg.

Soaring CBOT and BMD coupled with supportive cash market strengthened refined soy oil futures on **MCX**. The November futures contract opened at Rs. 481.5 per 10kg against previous closing of Rs. 481.9 per 10kg. The prices settled up at Rs.483.2 per 10 Kg.

PRICE DRIVERS:

- Bullish BMD and CBOT
- Expectation of bullish USDA monthly world S&D report
- Harvesting pressure of soybeans in major soybeans producing regions
- Firmness in the others edible oil
- Supportive weather conditions for field work of soybeans harvest
- Crude soy oil CIF prices moved up further \$4 to \$951 per tonne

WEATHER

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

TECHNICALS

Refined soy oil chart shows the strong buying interest with tentativeness both at upper and lower level. EMA and MACD patterns indicate firmness in prices. Stochastic break it's sideways movement and rising in neutral region. Whereas RSI show firmness in prices. Both volume and open interest declined. Prices are likely to trade up with steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	477	478	483.2	489	490
MCX-Nov.	475	477	483.2	489	490

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

BUY Near 484; T1 near 486, T2 near 487 and put stop loss at 483.

MCX Refined Soy Oil October Contract:

BUY Near 484; T1 near 486, T2 near 487 and put stop loss at 483.



■ REFINED SOY OIL

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

Centres	12.10.07	11.10.07	Change
Mumbai (Soy Ref oil)+VAT	468	468	Nil
Indore (Soy Ref oil)	461	460	+1
Kota (Soy Ref. Oil)+VAT	474	474	Nil
Hyderabad (Soy Ref)	500	500	Nil
Rajkot (Soy Ref)+Tax	470	468	+2

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	482.50	483.45	481.90	483.20	482.25	+0.20
NCDEX	Nov	481.90	483.70	481.35	483.20	481.65	+0.32
NCDEX	Dec	484.45	486.50	483.00	486.40	483.05	+0.69
NCDEX	Jan	486.30	489.10	484.45	489.10	484.85	+0.88
MCX	Oct	484.50	484.90	481.10	482.00	482.55	-0.11
MCX	Nov	481.50	483.75	481.50	483.20	481.90	+0.27
MCX	Dec	483.40	486.40	485.05	486.20	483.00	+0.66
MCX	Jan	486.50	488.95	485.00	488.95	484.95	+0.82

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	12.10.07	11.10.07	Change
Crude Soy Oil	951	947	+4
Crude Palm Oil	880	865	+15
Sunflower Oil	1440	1440	Nil

■ PALM OIL

International Highlights

BMD CPO Futures Boost on CBOT

Expectation of strong exports demand and bullish-trends on CBOT fuelled crude palm oil futures on Bursa Malaysian Derivative. Resulting, bench mark contract closed to its higher level. As well market also generated support from surge in crude oil and expectation of bullish USDA world supply and demand report. The most active December contract of CPO finished MYR51 up to MYR2,731 per tonne to previous close. Trading volume stood at 14,785 lots high from 10,827 lots yesterday. Open interest totaled at 49,328 lots from 47,813 lots.

Domestic Spot Market Highlights

Physical prices of palm oil remained in firm tone on increase in buying interest of traders on festive demand and firmness in rival edible oil likely mustard oil and refined cottonseeds oil. However, the current prices is high, but to meet rising festive demand in medium term, vanaspati maker's demand are remained dominant in the market and helped palm oil prices to stay firm. Trade activities remained nil in Indonesia due to holiday. The crude palm oil CIF price of October shipment rose sharply on Friday to \$880 per tonne from \$865 per tonne on Thursday. Traders are expecting the higher side would remains in control of festival demand.

BMD: CPO Futures (12.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2780	2797	2804	2797	2800	+20	52
Nov 07	2710	2729	2779	2729	2779	+69	1695
Dec 07	2680	2677	2742	2677	2731	+51	6031
Jan 08	2660	2675	2718	2665	2718	+58	5313
Feb 08	2655	2664	2709	2664	2709	+54	1529

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.10.07	11.10.07	Change
Kandla CPO (5 % FFA)	418	418	Nil
Kandla RBD Palmolein +VAT	454	454	Nil
Mumbai RBD Palmolein +VAT	458	458	Nil
Chennai RBD Palmolein +VAT	475	470	+5
Kakinada RBD Palmolein +VAT	470	470	Nil
Hyderabad RBD Palmolein +VAT	490	490	Nil
Delhi RDB Palmolein	500	490	+10

OTHERS

Rape/Mustard oil

Festive demand and support from hike in MSP of mustard seeds continuous to support the mustard oil domestically. With the spill over impact of rise in soy meals, Improvement is noticed in rapeseeds meals in domestic markets that aided some bullish support. As prices of mustard oil again moving up, stockists are learn to hold their stocks for short-term gains. Prices of mustard oil will stay in firm tone in short-term, traders added.

Groundnut Oil

Despite firmness in others edible oil and improving groundnut meals sentiments in domestic market, physical prices of groundnut oil stood weak on arrivals pressure of groundnut. As currently nearly 100 mills are operating, market is finding good supplies of groundnut oil, while demand remained poor. Currently, stockist's buying is weak as they are waiting prices of fall further prior to bulk buying. The prices of shelled groundnut in different markets in Gujarat remained unchanged on 2nd straight day at Rs. 410-495/20 kg to previous closing prices.

Refined Sunflower Oil

Improved demand, costlier crude oil prices strengthened spot prices of refined sunflower oil in domestic market. The below expected arrivals pressure of sunflower seeds also supported the market. Prices stood firmed The CIF prices of sunflower oil for October shipment remained unchanged on Friday at \$1440 per tonne from yesterday. Traders are expecting, prices of refined sunflower oil would stay firm in short-term in support of festive demand and underlying firmness in other edible oil.

Refined Cottonseeds Oil

In support of others edible oil, physical prices of refined cottonseeds oil remained in firm tone in most of trading centers. The demand is improving and more firmness is anticipated in prices of cottonseeds oil from traders. Traders are expecting, after Dusherra huge cottonseeds arrivals is expecting, which likely to hamper the oil prices.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	12.10.07	11.10.07	Change
Mumbai (Exp. Oil) +VAT	489	487	+2
Kota (Exp. Oil)+VAT	466	464	+2
Jaipur (Exp. Oil)+VAT	475	474	+1
Delhi (Exp. Oil)	500	490	+10
Neewai (Exp. Oil) +VAT	465	463	+2

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	12.10.07	11.10.07	Change
Mumbai +VAT	700	700	Nil
Rajkot +VAT	680	690	-10
Hyderabad +VAT	680	680	Nil
Chennai +VAT	585	585	Nil
Delhi	NA	770	-

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	12.10.07	11.10.07	Change
Mumbai +VAT	585	575	+10
Chennai +VAT	605	605	Nil
Hyderabad	590	590	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	12.10.07	11.10.07	Change
Mumbai +VAT	487	485	+2
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	492	488	+4
Delhi	470	468	+2

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		12.10.07	11.10.07
USA	Dollar	39.33	39.31
European Union	Euro	55.74	55.76
Japan	100 Yen	33.54	33.51
United Kingdom	Pound Sterling	79.74	80.12

■ OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Southern Condor	10,000	Palm oil Product	Arrived (10.10.07)
	Chem Lily	4,635	Palm oil Product	Arrived (09.10.07)
	Vale	5,000	Palm oil Product	Arrived (06.10.07)
	SC Sanghai	12,000	Palm oil	Expected (09.10.07)
	Process	18,500	CPO	Expected (10.10.07)
	Global Neptune	13,000	Palm oil Product	Expected (13.10.07)
	Westama	4,000	CPO	Expected (15.10.07)
	Peasus 7	17,000	CPO	Expected (12.10.07)
	Samho Heron	10,000	Palm oil Product	Expected (13.10.07)
	Silvia	21,704	CDSBO	Arrived (06.10.07)
Kolkata	Siteam Panther	9,997	Soy oil	Arrived (04.10.07)
	Olympic	9,590	CPO	Arrived (07.10.07)
	Cielo Di Salerno	8,002	Soy oil	Arrived (29.09.07)
Mumbai	Oil Ambassador	8,688	Palm oil	Arrived (07.10.07)
	Pantelis	10,012	Palm oil Product	Arrived (09.10.07)
	Global Triton	8,000	Palm oil	Expected (15.10.07)
Chennai	Theresa II	7,380	CPO	Arrived (08.10.07)

New vessels on chart are in bold.

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