

REFINED SOY OIL

Nov 1, 2007

SPOT MARKET:

Despite firmness on NCDEX, MCX and NBOT, physical prices of refined soy oil declined on global cues, steady demand and subdued trades activities. Currently stockists are benefiting by holding the stocks of soy oil with slow release in to markets. The lower buying interest of soybean from stockists led to weakness in seeds prices despite fell in arrivals. BMD remained sluggish on bearish export figures in October. As per SGS latest estimation, Malaysia palm oil export sales in October declined 7.9% to 1.3 million tonnes from 1.41 million tonnes in the September. The traders were expecting the export were likely around 1.38 million tonnes. Where as correction in crude oil and palm oil triggered weakness in soy complex on CBOT. The CIF price of crude soy oil for November shipment declined on Wednesday to \$996 per tonne from \$1003 per tonne on Tuesday.

FUTURES MARKET:

With the recovery on BMD and improved buying interest on underlying firmness in global markets and improving prospects of festive demand propelled refined soy oil futures on NCDEX. The **December** futures contract of refined soy oil opened at Rs. 506.45 per 10 kg from previous close of Rs. 507.3 per 10 kg. The futures contract closed up at Rs.509 per 10 Kg.

Besides weak advice from overseas markets and underlying bullish soybean sentiments has pushed **MCX** refined soy oil futures. Market also generated support from bullish firm fundamentals of demand and supply. **December** contract opened at Rs. 506 per 10kg against previous closing of Rs.507.20 per 10kg. The prices settled down at Rs. 509.05 per 10 Kg.

PRICE DRIVERS:

- Weakness on BMD and CBOT
- Steady demand and subdued trade activities
- Buying interest on NCDEX, MCX and NBOT
- Steady demand and subdued trades activities
- Malaysia palm oil export fell 7.9% in the October
- Crude soy oil CIF prices declined \$7 to \$996 per tonne

WEATHER

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

TECHNICALS

Chart shows the buying interest at lower level with tentativeness at higher level. EMA and MACD remained firmed for medium term. MACD is rising slowly in the positive territory. Stochastic made bearish crossover while RSI remained flat 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	505.9	510	511
MCX-Dec.	500	501	505.4	510	511

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil December Contract:

Risk takers can **BUY** Near 506; T1 near 508, T2 near 509 and put stop loss at 505.

MCX Refined Soy Oil December Contract:

Risk takers can **BUY** Near 505.5; T1 near 508, T2 near 509 and put stop loss at 505.



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D A I L Y

■ REFINED SOY OIL ■

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

Centres	31.10.07	30.10.07	Change
Mumbai (Soy Ref oil)+VAT	500	500	Nil
Indore (Soy Ref oil)	483	490	-7
Kota (Soy Ref. Oil)+VAT	495	493	+2
Hyderabad (Soy Ref)	508	510	-2
Rajkot (Soy Ref)+Tax	492	492	Nil

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	504.00	506.40	502.50	505.90	504.40	+0.30
NCDEX	Dec	506.45	509.90	505.50	509.00	507.30	+0.34
NCDEX	Jan	508.00	512.20	508.00	511.35	509.35	+0.45
MCX	Nov	502.80	506.25	502.00	505.40	504.35	+0.21
MCX	Dec	506.00	509.55	505.00	509.05	507.20	+0.36
MCX	Jan	508.30	511.50	507.60	510.90	509.15	+0.34
MCX	Feb	509.90	512.00	509.90	512.00	513.80	-0.35

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	31.10.07	30.10.07	Change
Crude Soy Oil	996	1003	-7
Crude Palm Oil	920	925	-5
Sunflower Oil	4365	1370	-5

■ PALM OIL

International Highlights

BMD CPO Futures Finish Mixed

The renewed buying interest in late session forced market to finished up despite bearish data by SGS and Intertek of October. . Resulting, the most active January futures contract of crude palm oil finished up MYR18 at MYR2,880 per tonne on Bursa Malaysia Derivatives. SGS highlighted, export sales in October declined 7.9% to 1.3 million tonnes from 1.41 million tonnes in the September and against trade expected 1.38 million tonnes. Trading volume on the BMD stood at 17,226 lots up from 12,081 lots on Tuesday. While open interest declined at 44,706 lots from 46,199 lots yesterday.

Domestic Spot Market Highlights

Following movement in global market of related commodities, domestic palm oil market declined to match the demand at lower level. The demand remains weak as current prices are quite high to stay in sync. Market also found support from weakness in others rival edible oil. Trades activities remained thin in Indonesia as stockists hold off stock on better premium in short-term. The CIF price of crude palm oil for November shipment declined on Wednesday to 920 per tonne from \$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 (31.10.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov 07	2920	2890	2890	2856	2890	-30	319
Dec 07	2900	2877	2885	2835	2885	-15	4126
Jan 08	2862	2840	2880	2814	2880	+18	7966
Feb 08	2842	2825	2855	2795	2855	+13	3802
March 08	2825	2795	2834	2783	2834	+9	952

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	31.10.07	30.10.07	Change
Kandla CPO (5 % FFA)	443	445	-2
Kandla RBD Palmolein +VAT	480	484	-4
Mumbai RBD Palmolein +VAT	492	502	-10
Chennai RBD Palmolein +VAT	498	503	-5
Kakinada RBD Palmolein +VAT	492	495	-3
Hyderabad RBD Palmolein +VAT	503	505	-2
Delhi RDB Palmolein	530	520	+10

OTHERS

Rape/Mustard oil

The statement by state government of Rajasthan emphasizing the mustard acreage is likely to dropped to 27 million hectares against 31 million hectares last year. This sparked the sharp gain of mustard oil across centres. Last year seeds production was at 37.67 lakh tonnes due to poor rainfall in few important growing areas. The festive demand from Uttar Pradesh and Northeast part of counties is also pushing the prices up in the market.

Groundnut Oil

Rising festive demand, improving prospects exports in November raised the prices of groundnut oil in major trading centres. The recent heavy rainfall in Andhra Pradesh and Tamil Nadu is expecting to deteriorate standing crop in nearly 35,000 hectares. Market observers were added the standing crop could lower the oil content with more moisture content, which lead to low oil recovery. Prices of shelled groundnut of different quality declined marginally to traded on Wednesday between Rs.410-488/20 kg as compared to Rs.410-492/20 kg on Tuesday.

Refined Sunflower Oil

Despite fall in crude oil, spot prices of refined sunflower oil maintained the firmness across domestic markets on improving demand and buying support of stockists. The seeds arrivals is offsetting the demand from expellers that failed to support the market. The CIF prices of sunflower oil for November shipment declined on Wednesday to \$1365 per tonne as compared to \$1370 per tonne on Tuesday. The tight supplies of sunflower oil across markets are likely to remain supportive in near-term, traders added.

Refined Cottonseeds Oil

Prices of refined cottonseeds oil traded on softer side on subdued demand and low trades activities. With the arrival of new cottonseeds in the market, meal prices are declining, which also favors the softer side of oil. Over all cotton crop is good this year but cottonseeds oil price is not expecting to come down on firm support of soy oil, which remain in sync with overseas markets.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	31.10.07	30.10.07	Change
Mumbai (Exp. Oil) +VAT	510	513	-3
Kota (Exp. Oil)+VAT	498	490	+8
Jaipur (Exp. Oil)+VAT	506	502	+4
Delhi (Exp. Oil)	522	525	-3
Neewai (Exp. Oil) +VAT	497	490	+7

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	31.10.07	30.10.07	Change
Mumbai +VAT	665	660	+5
Rajkot +VAT	630	630	Nil
Hyderabad +VAT	625	630	-5
Chennai +VAT	620	620	Nil
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	31.10.07	30.10.07	Change
Mumbai +VAT	645	645	Nil
Chennai +VAT	630	630	Nil
Hyderabad	640	650	-10

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	31.10.07	30.10.07	Change
Mumbai +VAT	505	508	-3
Hyderabad +VAT	510	513	-3
Rajkot + VAT	506	514	-8
Delhi	490	500	-10

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		31.10.07	30.10.07
USA	Dollar	39.32	39.40
European Union	Euro	56.75	56.69
Japan	100 Yen	34.28	34.42
United Kingdom	Pound Sterling	81.35	81.12



■ OTHERS

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Nogogini	4,500	Palm oil	Expected (02.11.07)
Kolkata	Fatima	5,000	CPO	Arrived (23.10.07)
	Global Venus	8,503	CPO	Arrived (30.10.07)
	Global Trader	5,500	CPO	Expected (31.10.07)
	Olympic	1,500	CPO	Expected (31.10.07)
New Manglore	Nagogini	6,000	CPO	Expected (30.10.07)
	Sea Power	9,228	CPO	Arrived (30.10.07)
Turicorin	Spring Glory	4,080	Palm oil	Expected (27.10.07)
	Spring Wind	4,000	Palm oil	Expected (29.10.07)
Mumbai	Global Triton	12,000	Palm oil Product	Expected (02.11.07)

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