

REFINED SOY OIL

Oct 16, 2007

SPOT MARKET:

Physical prices of refined soy oil remained on higher side to match the improving festive demand despite unsupportive September edible oil imports figures. In the September month of current oil year (Nov-Oct), edible oil import rose 23% to 446,721 tonnes vs 363,187 tonnes last year due to fall in oilseed's output at 22.67 mmt in 2006/07 (in crop year, July-June) as compared to 23.97 mmt a year ago. In the Nov-Sep, crude soy oil import declined 16.89% to 1.23 mmt against 1.48 mmt a year ago while in July rose more than double to 179,366 tonnes from 74,990 tonnes a year ago. The CIF prices of crude soy oil for October remained unchanged on Monday at \$941 per tonne to previous level. As solvent plants have begun crushing of soybeans but full capacity will be achieved by Dusherra. Prices of soy oil would come down sharply by last week of October or early November as bulk of soy oil discharge by solvent plants.

FUTURES MARKET:

Follow-through buying interest propelled **NCDEX** refined soy oil futures amidst improving cash market sentiments. The **November** futures contract of refined soy oil opened at Rs. 483.3 per 10 kg to previous close of Rs. 483.55 per 10 kg. The futures contract closed up at Rs.486.2 per 10 Kg.

Continuous buying interest manages to support refined soy oil futures on **MCX** from early weakness. The November futures contract opened at Rs. 484.1 per 10kg against previous closing of Rs. 4483.75 per 10kg. The prices settled up at Rs.486.45 per 10 Kg.

PRICE DRIVERS:

- September edible oil import rose 23% to 446,721 tonnes
- Solvent plant crushing soybeans below to full capacity
- More plant would come in operation by Dusherra
- Strengthening rupee over dollar makes import cheaper
- Improving festive demand
- New soybeans arrivals with high moisture content (15-18%)

WEATHER

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

TECHNICALS

Refined soy oil charts show the strong buying interest with selling at higher level. EMA remains medium term firm. MACD is penetrating into positive territory, which remains supportive for prevailing bullish-trends. Stochastic and RSI maintain up trend in neutral region. Both volume and open interest increased. Prices are likely to trade up with steady to slightly firm opening.

O 483.30 H 487.25 L 483.20 C 486.20 V 23,410 I 59,330 +3.1

EMA(9) 482.18 (18) 481.52



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov.	482	481	486.2	491	492
MCX-Nov.	480	481	486.45	492	493

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil November Contract:

BUY Near 487; T1 near 489, T2 near 490 and put stop loss at 486.

MCX Refined Soy Oil October Contract:

BUY Near 487; T1 near 489, T2 near 490 and put stop loss at 486.



■ REFINED SOY OIL

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

Centres	15.10.07	13.10.07	Change
Mumbai (Soy Ref oil)+VAT	472	472	Nil
Indore (Soy Ref oil)	462	462	Nil
Kota (Soy Ref. Oil)+VAT	474	474	Nil
Hyderabad (Soy Ref)	500	500	Nil
Rajkot (Soy Ref)+Tax	472	470	+2

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

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	483.60	487.10	483.60	486.50	483.50	+0.60
NCDEX	Nov	483.30	487.25	483.20	486.20	483.55	+0.55
NCDEX	Dec	488.00	490.50	484.75	489.45	486.20	+0.72
NCDEX	Jan	490.90	493.30	490.70	492.70	492.50	+0.70
MCX	Oct	482.05	483.00	481.40	481.80	482.05	-0.05
MCX	Nov	484.10	487.50	483.50	486.45	483.75	+0.56
MCX	Dec	486.30	490.30	486.50	489.50	486.20	+0.68
MCX	Jan	490.10	493.00	490.10	493.00	488.65	+0.89

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	15.10.07	13.10.07	Change
Crude Soy Oil	941	941	Nil
Crude Palm Oil	Closed	NA	-
Sunflower Oil	1425	1440	-15

COMMODITIES RESEARCH

■ PALM OIL

International Highlights

BMD CPO Futures Remain Closed on Monday on national holiday.

Domestic Spot Market Highlights

The good buying of vanaspati markers to meet the demand in string of festivals maintained the firmness in prices of palm oil across the domestic markets. However, gains were capped by reports of improved crude palm oil exports in September. During Nov-September, crude palm oil imports jumped 32.32% to 2.62 mmt from 1.98 mmt last year. September, CPO import declined 7.52% to 246,400 tonnes from 266,433 tonnes a year ago. No trade activities are reported in Indonesia on celebration mood in of weeklong holidays in Indonesia. Prices of palm oil likely to remain in firm tone on underlying firmness in global markets and expectation of good till Diwali.

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	15.10.07	13.10.07	Change
Kandla CPO (5 % FFA)	419	419	Nil
Kandla RBD Palmolein +VAT	454	452	+2
Mumbai RBD Palmolein +VAT	462	458	+4
Chennai RBD Palmolein +VAT	480	480	Nil
Kakinada RBD Palmolein +VAT	475	470	+5
Hyderabad RBD Palmolein +VAT	500	490	+10
Delhi RDB Palmolein	500	500	Nil

OTHERS

Rape/Mustard oil

Improved demand from Uttar Pradesh and Northeast parts of country and lack of proper supplies raised prices of mustard oil across domestic markets. Firmness in others edible oil also supported the sentiments. Usually there is good demand of mustard oil during Navratra till Diwali. This is likely to propel the price of mustard oil further height in short term, traders added.

Groundnut Oil

The improved arrivals of groundnut in major arrivals season satisfied the demand from stockists and expellers, while demand remained steady. Early sown Kharif groundnut is in seed formation/ maturity stages in Karnataka, Maharastra, Gujarat, Rajasthan and Karnataka. Crop is vegetative stage in Punjab and Haryana, while sowing is going on in TN. Mild incidence of leaf eating caterpillar in Pune division, Maharastra is reported. Dry weather condition will be helpful for the maturity of the crop.

Refined Sunflower Oil

Prices of refined sunflower oil remained in firm tone across domestic markets on firm sentiments in others edible oil and steady demand. As per recent reports, September sunflower oil imports rose quickly to 10,000 tonnes from 1,000 tonnes last year. The CIF prices of sunflower oil for October shipment declined sharply on Monday to \$1425 per tonnes from \$1440 per tonne on Saturday. As domestic markets ready to receive bulk of sunflower seeds arrivals in coming days, weakness in oil is expecting.

Refined Cottonseeds Oil

Physical prices of refined cottonseeds oil declined in major physical markets on outpaced supply to demand. According to Centre for Monitoring Indian Economy (CMIE), in financial year 2008, cotton production estimated, cotton production is expecting at 22.7 million bales from 22.7 million bales last year. However cotton arrivals pressure still little far from bulk, traders are expecting, prices could fall after Dussherra.

Rape Oil: Spot Market Price

(Rs/10 kg)

Centres	15.10.07	13.10.07	Change
Mumbai (Exp. Oil) +VAT	490	489	+1
Kota (Exp. Oil)+VAT	475	473	+2
Jaipur (Exp. Oil)+VAT	484	482	+2
Delhi (Exp. Oil)	512	500	+12
Neewai (Exp. Oil) +VAT	473	470	+3

Groundnut Oil Spot Market Price

(Rs/10 kg)

Centres	15.10.07	13.10.07	Change
Mumbai +VAT	700	700	Nil
Rajkot +VAT	660	660	Nil
Hyderabad +VAT	680	680	Nil
Chennai +VAT	585	585	Nil
Delhi	700	700	Nil

Refined Sunflower Oil: Spot Market prices

(Rs/10 Kg)

Centres	15.10.07	13.10.07	Change
Mumbai +VAT	590	590	Nil
Chennai +VAT	605	605	Nil
Hyderabad	590	590	Nil

Refined Cotton Oil: Spot Market prices

(Rs/10 Kg)

Centres	15.10.07	13.10.07	Change
Mumbai +VAT	490	490	Nil
Hyderabad +VAT	510	500	+10
Rajkot + VAT	485	490	-5
Delhi	470	470	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		15.10.07	13.10.07
USA	Dollar	39.31	39.37
European Union	Euro	55.71	55.82
Japan	100 Yen	33.41	33.48
United Kingdom	Pound Sterling	79.95	80.09

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	Arrived (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	Sea Lustre	6,570	CPO	Arrived (12.10.07)
Mumbai	Oil Ambassador	8,688	Pal m 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 Mangalore	Raisinj-om	500	Sunflower oil	Expected (12.10.07)
Port of Mundra	Golden Express	6,000	Soy oil	Expected (17.10.07)

New vessels on chart are in bold.

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