

## VEGOIL

04<sup>th</sup> July 2005

### MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Future Improved Marginally Amidst Lack of Concrete Trading Directions
- Soybean Oil Improved Marginally on Continuing Buyers Support

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term

#### NCDEX JULY Contract

The July contract closed at 376.80, which is Marginally higher than the yesterday's close. Market opened firm as predicted and picked up the pace towards the mid session amidst growing support from the domestic buyers and absence of trading leads from the international markets as the US CBOT is closed on Independence Day.

The 7-day MA today continued lower hinting to the weakening prices in the market along with the 14-day MA. Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 5 period(s) ago. Since the MACD crossed its moving average, Soyoil July's price has increased 1.14% and has ranged from a high of 377.80 to a low of 366.25.

The 9-days Price ROC continued up in the negative region to the level of -0.8421, indicating strengthening sentiments in the market. The 9-day RSI also moved up significantly in the neutral region to a level of 51.24 showing the growing strength in the prices.

The % K-line continued up the neutral region indicating the growing strength in the prices. The % D-Line also continued up in the neutral region indicating the rising strength in the market prices.

The candlestick is also indicating the firming sentiments in the market.

#### Market advice:

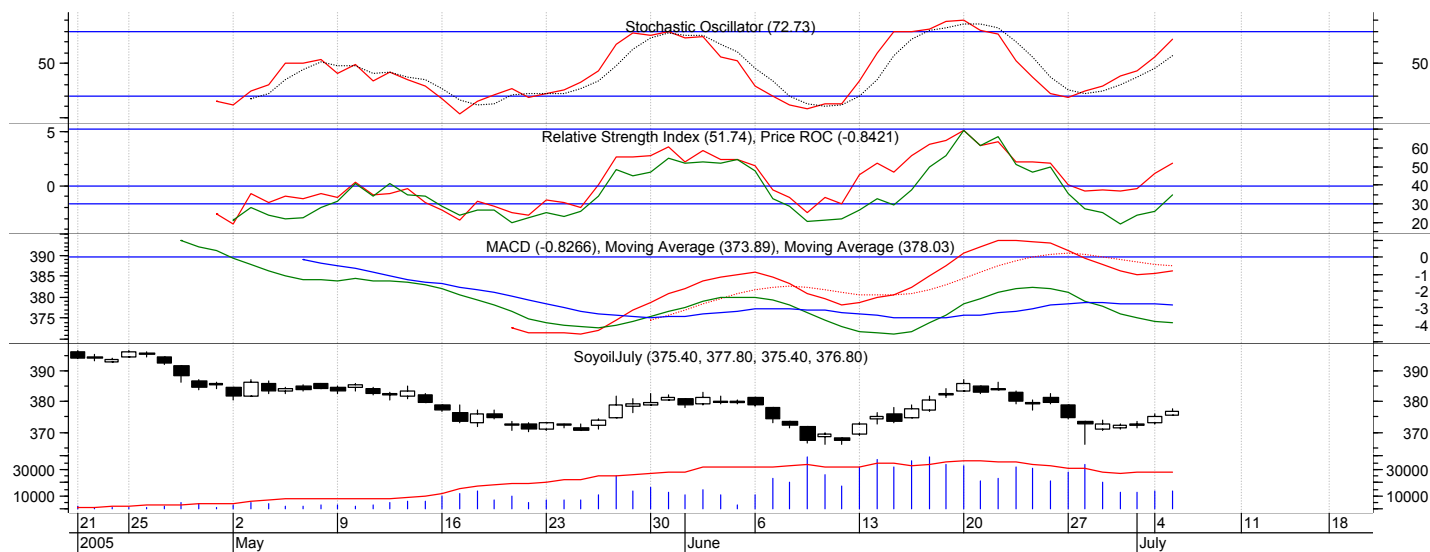
Market is expected to open firm and trade marginally higher for Tuesday.

Short term buying would continue to yield profit.

Look for convincing trends in the second half of the trade.

#### Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	July '05	373.60	372.90	376.40	377.80
NCDEX	July '05	373.40	372.00	378.10	379.50



## MARKET HIGHLIGHTS & FUNDAMENTAL ANALYSIS

### International:

#### CBOT (US Soybean Oil):

CBOT remained closed during the weekend holiday. Market will reopen on Tuesday's evening (05.07.05). The market is closed today evening amidst celebration of Independence Day.

#### CBOT Soy oil futures as 01 July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	23.61	23.75	24.15	23.75	+0.54	24.15
Aug'05	23.81	24.23	24.23	23.86	+0.42	24.23
Sep'05	23.99	24.35	24.40	23.99	+0.33	24.32

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Market

South American Soybean Market trend at CBOT remained closed during the weekend holiday. Market will reopen on Tuesday's evening (05.07.05). The market is closed today evening amidst celebration of Independence Day.

#### KLCE (Malaysian Palm Oil):

The market has been holding well and slowly moving up in the last couple of days, but there is no change in the fundamentals yet. The market is still lacking clear direction and it is not expected to change before next week.

Traders are now waiting for export and production data due next week for fresh leads. Cargo surveyors Intertek Testing Services and SGS (Malaysia) Bhd. are expected to issue Malaysian palm oil export estimates for the first 10 days of July next Monday.

The Malaysian Palm Oil Board will issue June palm oil production, export and stock estimates later next week. While all these data releases will be closely watched, none is expected to vastly change the market outlook.

Traders are already expecting lower palm oil production in June.

For the near term, market participants are expecting the September contract to stay put in the MYR 1400-MYR 1430 range unless there are big surprises in the data or a major change in the U.S weather outlook for soybeans.

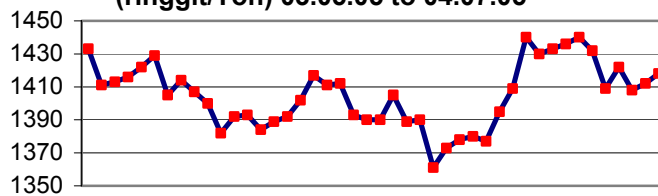
With palm oil already trading at a big discount, slight changes in soyoil prices aren't enough to move the palm oil market. In the Malaysian cash market, prices were unchanged, with thin trading.

The market is expected to trade on the higher side for tomorrow amidst absence of significant directions from the US soybean market.

#### KLCE CPO Futures (04.07.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Jul'05	1414	1420	1423	1416	+4	1418	466
Aug'05	1413	1417	1422	1415	+4	1417	500
Sep'05	1412	1416	1421	1413	+6	1418	2147

#### CPO futures at Bursa Malaysia Derivatives (ringgit/Ton) 03.05.05 to 04.07.05



### Domestic:

#### Palm oil

The domestic palm oil market today continued improving amidst smooth advance of monsoon and growing support in the other edible oil markets.

The Malaysian markets improved marginally amidst lack of concrete trading directions and this unsteady sentiment was adequately reflected on the domestic trade.

The import quantum has grown marginally. In the month of June (till 30.06.05) the country has imported about 1.94 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 367.50 per tonnes and RBD Palmolein at \$ 400.00 per tonne.

The price for palm oil in the market is expected to continue range bound on the positive side on Tuesday as the market is expected to receive support from the Malaysian markets.

#### Palm oil - Spot Market Price (Rs. per 10 kg)

Centres	04.07.05	02.07.05	Change
Kandla CPO (5 % FFA)	330	329	-1
Mumbai CPO (5% FFA)	330	330	0
Kandla RBD Palmolein	352	349	+3
Mumbai RBD Palmolein	363	365	-2
Chennai RBD Palmolein	366	368	+2
Kakinada RBD Palmolein	367	368	-1

#### Soy oil

The domestic market opened firm and improved gradually till the mid-session but declined marginally towards the end of the day amidst uncertain sentiments in the international markets.

The international market is also supporting the up trend in the market for long run, but the status and progress of Indian monsoon is still dominating over the international indicators keeping the market under tight check in spite of the underlying bullishness. The inadequate amount of field moisture in the growing areas and the increasing flood situation in Gujarat is expected to maintain the bullishness in the market. The NBOT (July Contract) exchange closed marginally higher at Rs. 374.30 (Up by Rs. 0.60).

The Hazir market declined marginally owing to the increasingly positive sentiments at the futures.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 340 per 10 kg. CNF prices for soy degum (June Shipment) at Kandla were quoted at \$ 510 per tonne.

The market is expected to open steady but trade on the higher side for Tuesday amidst increased uncertainty in the international markets. Partial decline towards the end session cannot be denied, as international market situation is highly uncertain.

**Soybean oil - Spot Market Price (Rs. per 10 kg)**

Centres	04.07.05	02.07.05	Change
Mumbai (Soy ref)	360	362	-2
Indore (Soy Ref oil)	370	372	-2
Indore (Soy Solvent Ex. oil)	346	349	-3
Kota (Soy Ref. Oil)	370	373	-3
Jaipur (Soy Ref. Oil)	372	376	-4

**NBOT Soy oil futures as on 04.07.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Jul'05	373.70	374.80	375.70	373.10	0.60	374.30	21470
Aug'05	381.00	382.50	383.00	380.30	0.60	381.60	11380
Sep'05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

**NCDEX Soy oil futures as on 02.07.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jul'05	372.75	373.20	376.00	372.75	375.15	13340	27700
Aug'05	378.35	379.00	382.95	378.70	381.90	12780	29870
Sep'05	381.75	382.05	386.50	381.00	385.50	5540	9540

**Rape oil**

A rape oil market continued improving amidst support from the buyers at the futures, growing uncertainty in the supply and worsening flood situation in Gujarat.

The unsteady progress of the monsoon in the parts of Madhya Pradesh and Rajasthan is also expected to keep the prices under tremendous pressure in the coming days.

Today, the rape oil found increased support from the buyers at major exchanges growing uncertainty regarding the prolonged progress of monsoon. In the spot markets the prices continued on the higher side amidst increased uncertainty in the supply.

Today the new crop arrival reached 0.50 lakh bags in Rajasthan and about 0.15 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape oil will continue trading on higher side for Tuesday as the retail demand is expected to be on the rise amidst uncertain progress in planting of other edible oil crops.

**Rape oil - Spot Market Price (Rs. per 10 kg)**

Centres	04.07.05	02.07.05	Change
Mumbai (Rape Expeller Oil)	389	385	+4
Kota (Rape Expeller Oil)	375	370	+5
Jaipur (Rape Expeller Oil)	377	373	+4
Neewai (* Kacchi Ghani Rape Oil)	388	385	+3
Delhi (Rape Expeller Oil)	395	394	+1

**Groundnut oil**

Groundnut oil today continued improving at various centres owing to the declining crop prospects in lieu of the spreading floods in Gujarat.

The domestic demand is not expected to improve significantly in the coming days amidst growing uncertainty in the other edible oil markets.

The range-bound positive trade in groundnut oil prices is expected to continue in the coming days amidst growing uncertainty about the upcoming crop.

**Groundnut oil - Spot Market Price (Rs. per 10 kg)**

Centres	04.07.05	02.07.05	Change
Mumbai	468	462	+6
Rajkot	502	500	+2
Andhra Region	500	495	+5
Chennai	502	496	+6

**LATEST WEATHER WATCH (04.07.2005)****Progress of Monsoon**

The depression over north Madhya Pradesh and adjoining east Uttar Pradesh remained practically stationary with its centre at 0830 hours IST of today close to Khajuraho. The system is likely to move slowly in a northwesterly direction. Sagar and Jabalpur in Madhya Pradesh reported 48 and 17 cms. rainfall respectively. The upper air cyclonic circulation over Gujarat and neighbourhood in the middle troposphere has become less marked and the rainfall activity over Gujarat has reduced considerably. A fresh upper air cyclonic circulation has formed over Bangladesh and neighbourhood extending upto mid tropospheric levels. The upper air cyclonic circulation over Punjab and neighbourhood now lies over west Uttar Pradesh and neighbourhood and extends upto 0.9 km above sea level. The axis of the monsoon trough at sea level passes through Ferozpur, Delhi, Agra, centre of the depression, Dhanbad, Kolkata and thence east southeastwards to north Bay of Bengal.

**Forecast Valid for Next 24 Hours**

**North:** Rain/thundershowers likely at many places in the region outside Jammu & Kashmir where it may be at a few places.

**East:** Rain/thundershowers likely at most places in east Madhya Pradesh and at many places over the rest region outside Jharkhand and interior Orissa where it may be at a few places.

**South:** Rain/thundershowers likely at many places over Andaman & Nicobar islands, coastal Karnataka, Kerala and Lakshadweep and at few places in the rest region outside Andhra Pradesh and Tamil Nadu & Pondicherry where it may be isolated.

**West:** Rain/thundershowers likely at most places over Konkan & Goa and west Madhya Pradesh, at many places over rest of the region outside west Rajasthan and Saurashtra & Kutch where it may be at a few places.

**Outlook for subsequent two days:**

Ongoing rainfall activity over central parts of the country is likely to continue and may extend to northwestern parts of the country. The heavy rainfall activity over Gujarat state is likely to decrease further. Rainfall activity over Gangetic West Bengal is likely to increase.

**Heavy Rains Warning**

Heavy to very heavy rainfall likely at a few places over east Rajasthan and Madhya Pradesh. Isolated heavy rainfall also likely over west Uttar Pradesh, Haryana, Himachal Pradesh, Uttaranchal, Gujarat region, Konkan & Goa, madhya Maharashtra, Kerala and Andaman & Nicobar islands.

**Outlook For Subsequent 48 Hours**

Ongoing rainfall activity over central parts of the country is likely to continue and may extend westwards into northwest India. Enhanced rainfall activity likely to continue over Gujarat State and along the west coast.

## Agricultural Activities

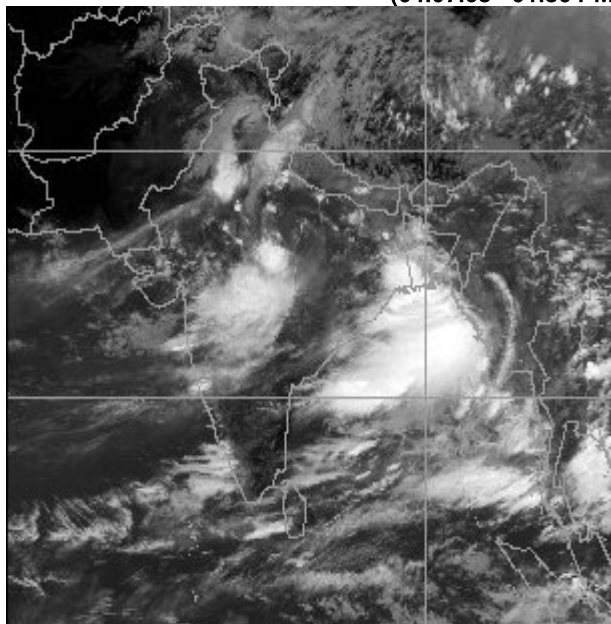
In Andhra Pradesh, the crop condition is good under irrigated dry conditions in Anantapur, Chittoor and Kurnool districts of Rayalaseema region. In north coastal zone of Andhra Pradesh, light to moderate rainfall has been received. In this region, groundnut sowings are under progress and earlier sown sesamum crop is at vegetative stage and its condition is good.

Most places in eastern Vidarbha received normal to above normal rainfall sufficient for sowing of rice nurseries. Most of districts in western and central Vidarbha received no rainfall or below normal rainfall where sowings have not been taken up and dry seeded cotton may not germinate well.

Sowing of cotton in Gujarat and Maharashtra has been progressing well after monsoon rains. Sowing is in full swing in Gujarat where almost half the plantings are over but it is hardly 10-20 percent in some other states due to less rains. About one third of plantings in Maharashtra had been completed with coastal areas getting bountiful rains, but some interior parts have not received enough rainfall, delaying the plantings

## Latest Satellite Image of Monsoon Progress

(04.07.05 - 01.30 PM)



## PORT-WATCH (Latest)

Kandla Port is receiving 9,500 MT of SBO from the vessel 'Siren'. The cargo was loaded from Brazil. Forbes Gokak agents is handling the vessel.

'Acushnet' has berthed at Kakinada Port and continues to discharge 6,000 MT of SBO. The port is expecting 'Ocean Ace',

'Countess', 'Spring Wind', 'Monalisa' and 'Mega Crown' to deliver 6,000 MT, 4,000 MT, 6,000 MT, 6,000 MT and 2,000 MT of CPO respectively.

Mumbai Port is expecting 'MMM Galvestone' to deliver 6,000 MT of CPO. 'Pacific Sound' is expected at Mumbai Port to discharge 9,750 MT of palm oil. The vessel will be handled by Interocean agents.

Delivery of 6,100 MT of CPO is continuing at Kolkata Port from the vessel 'Ocean Ace'. The vessel is being handled by Atlantic agents.

Mundra Port is expecting 'Kuldiga' to deliver 18,000 MT of SBO. Interocean agents will be handling the vessel.

Cochin Port is expecting 'Golden Jane' to discharge 3,000 MT of CPO. James Mackintosh agents will be handling the vessel.

## Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Siren	9500	SBO	Expected
Cochin	Golden Jane	3000	CPO	Expected
Kolkata	Ocean Ace	6100	CPO	Arrived
Mumbai	MMM Galvestone	6000	CPO	Expected
	Pacific Sound	9750	Palm oil	Expected
Mundra	Kuldiga	18000	SBO	Expected
Kakinada	Acushnet	6000	SBO	Arrived
	Ocean Ace	6000	CPO	Expected
	Countess	4000	CPO	Expected
	Spring wind	6000	CPO	Expected
	Monalisa	6000	CPO	Expected
	Mega Crown	2000	CPO	Expected

## Forex Rates

(As on 04.07.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
Malaysia	Ringgit	11.46
European Union	Euro	51.95
United Kingdom	GBP	76.72
Japan	100 Yen	39.03

## Disclaimer

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