

## VEGOIL

30<sup>th</sup> September 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Govt revises tariff value for palm oil and products
- Soyoil prices hold steady levels

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX October Contract

Soyoil October contract recovered from its recent downfall and settled on higher side than yesterday's close at 362.90 today. Soyoil prices are strong amidst strong support from KLCE and domestic exchanges where the prices went up.

The 7-day MA is going to upward to cut the 14-day MA from down, supporting upward movement in the soyoil futures. However, the 14-day MA is still moving downwards, showing weakness in the futures price trends

The MACD is bounced back further and going to upward but remained above its EMA, indicating bullish trend in the coming days.

The 9-days Price is going to down -0.3015, indicating bearish sentiments of the prices. The 9-day RSI is moving upwards in the neutral region to a level of 43.07 supporting the bearish sentiments in the market prices.

The % K-line is going to downward after cutting the % D-line from up but remained in neutral region, hinting long-term weak in the prices.

The candlestick is indicating a bullish market sentiment due to the buyers were more aggressive than that of sellers. Hinting bullishness of the prices.

#### Market advice:

Market is expected to open higher and trade on higher side for Saturday.

Remain long; buying in the opening session might be yielding some profit in the short term.

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Oct' '05	364.6	365.4	362.2	361.4

#### Abbreviations:

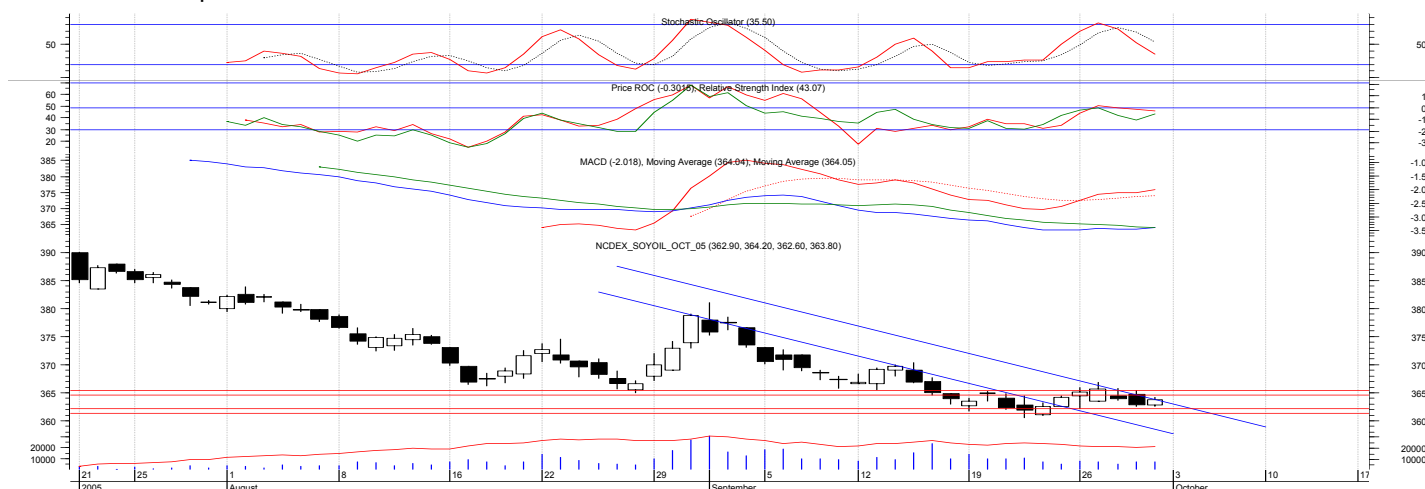
ROC - Rate of Change

MA - Moving Average

MACD - Moving Average Convergence Divergence

RSI - Relative Strength Index

% K-Line & % D-Line - Faster & Slower Lines of Stochastic Oscillators



## MARKET HIGHLIGHTS & FUNDAMENTAL ANALYSIS

### International:

#### CBOT Soy Futures Settle Mixed

Soybean futures at Chicago Board of Trade settled mixed on Thursday. CBOT November Soybeans futures closed down 2.25 cents at US \$ 5.65/bushels, 7 off the high and 2.5 cents up from the low and January closed down 2 cent at US \$ 5.725/bushels, 2.75 cents up from the low and 6.25 cents off the high. CBOT December Soybean futures settled down 1.7 cent at US\$ 1.7.2/ton, 1.4 cent up from the low and 1.8 cent off the high and December Soybean Oil futures ended up 0.18 cent at 22.86 cents/pounds, it was 0.4 cent off the high and 0.18 cents up from the low. Spill over strength from energy helped improving soy futures in the early session. This very factor was no more effective by middle of the session following ease in energy prices. Crush report was also supportive. Census report put soy crush at 130.34 million bushels, which was slight up against earlier trade expectations. Weekly export sale was neutral. The US Department of Agriculture estimated the weekly export sale of US soy at 675,900 ton. Export sale of US soybean meal was estimated at 93,800 ton and soybean oil at 10,400 ton.

#### CBOT Soy oil futures as 30.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Oct	22.42	22.57	23.07	22.42	0.13	22.55
5-Dec	22.68	22.80	23.21	22.70	0.18	22.86
6-Jan	22.88	23.13	23.40	22.20	0.18	23.06
6-Mar	23.10	23.33	23.60	22.14	0.15	23.25

CBOT remains closed on Saturday and Sunday.

#### South America Soybean Settle Moderately Higher

November South American soybeans settled 6.5 cents higher yesterday at US \$ 6.345/bushels after putting in new contracts lows the previous day. Volume was 48 contracts. Soybean prices are expected to increase in South America due to strengthening energy markets. Another factor is that in South America the fertilizer costs for new crop has increased. It is planting season there. The fertilizer issue is a more horrible issue for South American bean than US output there. South America is more inclined towards alternative fuels like bio-fuel in comparison to US. Another important factors are likely decline in soy production in Brazil and the significantly higher demand for soybean oil for energy complex in the year ahead. On export front, Taiwan will tender today for 40,000-60,000 tonnes of US or South American soybeans.

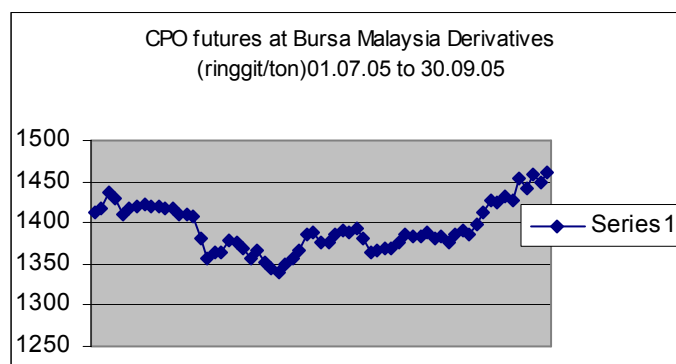
#### BMD Palm oil Futures Look For Direction

Crude Palm oil Futures at Bursa Malaysia Derivatives settled higher on Friday notwithstanding bearish export report. Benchmark December future settled up MYR1460 per ton. Gains were made mostly on speculative factors. Biodiesel theme helped improving futures. So far, use of palm oil in biodiesel is very low. Early this week, government disclosed its plan to erect three big plants to convert palm oil into diesel. Traders feel that future is not very gloomy despite comfortable production. However, strategies are merely on papers. Idea fueled from the remarks of Malaysian Prime-minister in his

federal government budget speech presented today. Prime Minister said that policies on bio-fuel would be drafted by year-end. Overnight increase in crude oil prices boosted the concept of likely increase bio-diesel usage. November Crude oil futures at New York Mercantile Exchange gained 44 cents per barrel. Market candidly ignored the bearish export report. SGS estimated the Palm oil export from Malaysia in September at 1.21 million ton, which traders feel was not enough to offset the production.

#### KLCE CPO Futures (30.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close
Oct '05	1435	1442	1449	1442	14	1449
Nov '05	1444	1444	1455	1443	11	1455
Dec '05	1448	1448	1460	1441	12	1460



### Domestic:

#### Palm oil

Palm oil markets continued to see the steady trend. Government raised tariff value of palm oil and products partially. However, change in tariff did not have much impact in the market prices. Traders are expecting overseas wind will determine the trend in domestic market. Demand for the palm oil may improve for the festival season ahead.

FOB prices of CPO (Oct) were quoted at \$ 372 per tonne and RBD Palmolein at \$ 415.00 per tonne.

Sentiment of global palm oil markets is bullish, owing to increased hopes of likely increase in bio-diesel usage.

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

Centres	30.09.05	29.09.05	Change
Kandla CPO (5 % FFA)	324	324	0
Mumbai CPO (5% FFA)	-	-	-
Kandla RBD Palmolein	354	354	0
Mumbai RBD Palmolein	362	362	0
Chennai RBD Palmolein	358	356	+2
Kakinada RBD Palmolein	356	355	+1

#### New Tariff Values

S.No	Description of goods	Tariff value US\$ (Per Metric Tonne)
1	Crude Palm Oil	402
2	RBD Palm Oil	420

3	Others – Palm Oil	411
4	Crude Palmolein	418
5	RBD Palmolein	430
6	Others – Palmolein	424
7	Crude Soyabean Oil	508

### Soy oil

Domestic soy markets observed standstill trade. However, widely popularising concept of bio-fuel has helped wiping out concern over rising soybean production in origin countries. Mainly soy and mustard are used in production of bio-diesel. Increased prices of crude oil have fuelled the talks of eventual increase of bio-diesel.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 325 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 507 per tonne.

The market is expected to open firm on Saturday

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

Centres	30.09.05	29.09.05	Change
Mumbai (Soy ref)	344	344	0
Indore (Soy Ref oil)	360	360	0
Indore (Soy Solvent Ex. oil)	349	339	+10
Kota (Soy Ref. Oil)	362	358	+4
Jaipur (Soy Ref. Oil)	368	368	0

### NBOT Soy oil futures as on 30.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	362.90	362.70	363.40	362.50	0.3	363.20	9600
Nov '05	361.00	361.20	361.40	359.90	0.2	361.20	18500
Dec '05	N.A	N.A	N.A	N.A	0.0	N.A	N.A

### NCDEX Soy oil futures as on 29.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	363.95	364.75	366.00	362.50	362.90	7810	20490
Nov '05	363.60	364.40	365.45	360.35	360.70	11540	26350
Dec '05	365.00	365.50	366.10	361.40	361.65	2600	3550

### Rape oil

Much hyped concern over big stocks in the possession of government agencies and domestic stockists. According to market sources, still more than 17 lakh ton of stock is in the possession of stockists. Although government has increased the Minimum Support Prices for mustard seed to Rs 1715 per qtl to boost farmers' inclination. However, realization in mandis is very low against declared MSP. Poor prices in the mandis may retrench farmers' interest towards mustard crop. Sowing of rapeseed has started in the Rajasthan.

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

Centres	30.09.05	29.09.05	Change
Mumbai (Rape Expeller Oil)	393	393	0
Kota (Rape Expeller Oil)	376	375	+1

Jaipur (Rape Expeller Oil)	384	382	+2
Neewai (Kacchi Ghani Rape Oil)	393	395	-2
Delhi (Rape Expeller Oil)	400	396	+4

### Groundnut oil

Groundnut oil prices retained its previous levels. Traders are expecting slight boost in its prices for the festival demand ahead. Harvesting has yet to gain momentum in the key producing states. Traders are putting preliminary estimates for groundnut production at 22 lakh ton. Festive demand will be the key price-deriving factor in groundnut markets.

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

Centres	30.09.05	29.09.05	Change
Mumbai (Norml,Excg VAT)	498	498	0
Rajkot	520	522	-2
Andhra Region	510	505	+5
Chennai	465	465	0

### LATEST WEATHER WATCH (30.09.2005)

#### Weather Forecast

During past 24 hours, scattered rainfall has occurred over northeastern States along the east coast, Konkan & Goa and Madhya Maharashtra. Chief amounts of rainfall (in cm) during past 24 hours are: Silchar-7, Puri-5, North Lakhimpur-5, Dibrugarh-4, Tuni-4, Kolkata-3, Digha-3 and Kolhapur-3.

The low pressure area over westcentral Bay of Bengal persists. The associated upper air cyclonic circulation extends upto mid-tropospheric levels. Under its influence scattered to fairly widespread rainfall is likely along the east coast and northeastern States during next 2-3 days.

The upper air cyclonic circulation over Saurashtra and adjoining southeast Arabian Sea persists and extends between 1.5 and 5.8 km a.s.l.

#### Forecast valid for next 72 hours

**NORTH :** Mainly dry weather is likely in the region.

**EAST :** Rain/thundershowers likely at many places over northeastern States and coastal areas of West Bengal & Orissa; at a few places over rest West Bengal, Sikkim and isolated in rest Orissa. Mainly dry weather is likely in the rest region.

**SOUTH :** Rain/thundershowers likely at many places over Coastal Andhra Pradesh and north coastal Tamil Nadu & Pondicherry; at a few places over Andaman & Nicobar Islands and rest Tamil Nadu and isolated in the rest region.

**WEST :** Rain/thundershowers likely at a few places over Konkan & Goa and Madhya Maharashtra and isolated over Gujarat. Mainly dry weather is likely in the rest region.

#### Warning

Isolated heavy rainfall likely over northeastern States.

#### Outlook for subsequent two days based on NCMRWF and other numerical weather products :

Slight increase in rainfall over south Peninsula. Scattered rainfall activity is likely over northeastern States.

### PORT-WATCH (Latest) :

Delivery of 8,000 MT of SBO is continuing from the vessel 'Bryggen' at Kandla Port. The cargo was loaded from Argentina.

Interocean agents is handling the vessel. The port is receiving 5,650 MT of SBO from the vessel 'Azteca'. The cargo was loaded from USA. JM Baxi agents is handling the vessel. 'Storm' from Argentina has berthed at the port and continues to deliver 22,750 MT of SBO. The vessel is being handled by Interocean agents. Delivery of 10,000 MT of CPO is expected at the port from the vessel 'Southern Unicorn'. The cargo was loaded from Dumai. Atlantic agents will be handling the vessel. The port is expecting 'Florida' from Brazil to deliver 20,000 MT of SBO. Another vessel, 'Cretec' from Argentina is expected at the port to deliver 19,750 MT of SBO. These vessels will be handled by Interocean agents. 'Eastern Amenity' has berthed at Mumbai Port and continues to discharge 8,520 MT of palm oil. GAC agents is handling the vessel.

Delivery of 6,300 MT of palm is continuing at Tuticorin Port from the vessel 'Khadijah'. St.John agents will be handling the vessel.

Kakinada Port is receiving 7,000 MT of CPO from the vessel 'Spring Glory'.

'Stlot Guardian' has berthed at Kolkata Port and continues to discharge 21,000 MT of SBO. JM Baxi agents is handling the vessel. 'MMM Jackson' is expected at the port to discharge 6,000 MT of CPO. Seaport agents will be handling the vessel.

Delivery of 6,000 MT of CPO is expected at New Mangalore Port from the vessel 'Ace I'. The vessel will be handled by Interocean agents.

**Forex Rates (As on 30.09.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.92
Malaysia	Ringgit	11.65
European Union	Euro	52.94
United Kingdom	GBP	77.52
Japan	100 Yen	38.75

**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Azteca	5650	SBO	Arrived
	Spring Wind	4750	SBO	Arrived
	Global Eos	5500	CPO	Arrived
	Bryggen	8000	SBO	Arrived
Kolkata	MMM Houston	6000	CPO	Arrived
	MMM Jackson	6000	CPO	Expected
	Stlot Guardian	21000	SBO	Expected
Mumbai	Eastern Amenity	8520	Palm oil	Arrived
JN	Storm	22750	SBO	Arrived
Cochin	Cheras	5890	Palm oil	Arrived
New Mangalore	Ace I	6000	CPO	Expected
	Bumik	6500	CPO	Arrived
Kakinada	Spring Glory	7000	CPO	Expected
	Stana 6	6000	CPO	Arrived
Tuticorin	Khadijah	6300	Palm oil	Expected

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.