

## VEGOIL

23<sup>rd</sup> September 2005

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures End Mostly Up
- South American Soybean Future Ends Higher
- Crude Palm Oil Futures Lowered Marginally on Subdued Trading
- Soybean Oil Prices Traded Range Bound on Weak Fundamentals

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX October Contract

The October contract closed at 362.60, which is marginally higher from yesterday's close. Bears still dominated overall trade fundamentals soybean oil market and the declining trends in the prices are just the clear indication of it.

The 7-day MA continued lower along with the 14-day MA hinting to the weakness in the price trends.

MACD also continued lower with a declining slope indicating the existing weakness in the market.

The 9-days Price ROC improved marginally to -1.774 (pointing downward) indicating the existing weakness in the prices. The 9-day RSI continued upward marginally towards the end of the session in the neutral region to a level of 34.15 supporting the steadying sentiments in the market prices.

The % K-line turned lower in the neutral hinting to the partial strength in the prices. The % D-Line continued improving marginally indicating the steadiness in the prices.

The candlestick is hinting at the range bound opening and lower trade for Saturday.

#### Market advice:

Market is expected to open range bound but trade lower  
Selling with short-term outlook would yield profit

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Oct' '05	360.40	359.30	362.80	363.40
NCDEX	Oct' '05	361.50	350.30	362.90	363.80

#### Abbreviations:

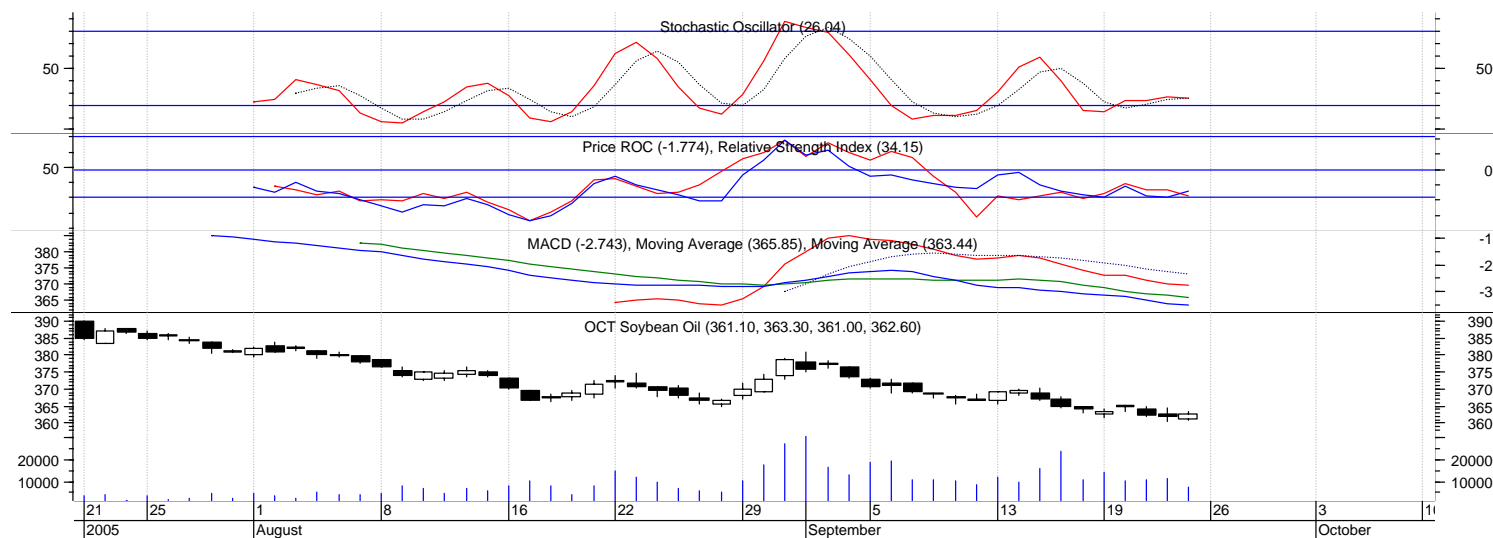
ROC - Rate of Change

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 (US Soybean Oil):

Soy futures at Chicago Board of Trade settled mixed on Thursday. November soybean future settled up 2.75 cents at \$5.805 per bushel and January up 2 cents at \$5.8875 per bushel.

December soymeal futures closed down 6 cents at \$175 per ton and December soyoil up 35 points at 23.56 cents per pound. Likely increase of soyoil usage for bio-diesel production, higher energy markets and supportive export data were the bullish factors helped pushing futures higher.

However, reports of RITA to pass over Midwest region had slightly bearish impact on futures. USDA reported export sale of 1.20 lakh ton of soybean to China. US export sale came up against earlier trade expectations.

The US Department of Agriculture estimated the weekly export sale of US soybean at 7.52 lakh ton, up against earlier expectation of 4-7 lakh ton. USDA reported weekly export sale of US soymeal at 94,200 ton with in the range of earlier expectations between 0.75-1.50 lakh ton, while weekly export of soyoil was estimated at 5,900 ton against earlier expectations between 0-10,000 ton.

#### CBOT Soy oil futures as 22.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.92	23.20	23.40	23.16	+0.40	23.32
5-Oct	23.21	23.55	23.68	23.43	+0.35	23.56
5-Dec	23.35	23.60	23.83	23.53	+0.36	23.71
5-Jan	23.52	23.75	23.97	23.75	+0.33	23.85

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Market

South American soybean settled higher on possibility of likely switchover by some importers, if hurricane affects shipping from United State. November South America Soybean closed up 4 cents at \$6.525 per bushel.

Presumed factor seems to be loosing ground with increased reports of fading intensity of RITA. Weather in South America is a crucial factor to look on.

Increased talks and proceedings as well towards preferential use of bio-diesel might boost the farmers' inclination towards soy crop in South America. The US Department of Agriculture has pegged soybean production in Brazil at 60 million ton and in Argentina at 39 million ton this year.

#### KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended moderately lower Friday after an uneventful trading day as participants, unsure if a recent price rally would resume, largely retreated to the sidelines ahead of the weekend.

Market participants will be shifting their attention to events over the weekend, particularly developments surrounding Hurricane Rita. Any substantial damage to U.S. oil refineries may trigger a surge in oil prices. Higher oil prices may, in turn, spur demand for alternative energy sources such as biodiesel, which would be positive for edible oil prices.

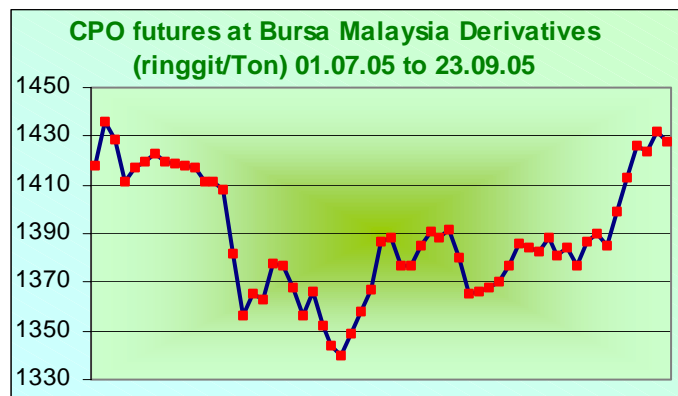
An industry gathering in India over the weekend could also yield some fresh leads on the outlook for edible oil prices in the coming months. In the Aug. 1-25 period, exports were around 910,000 to 920,000 tons. That's because production is typically at its peak at

this time of the year, traders said, adding that there's talk output could rise 5% to 8% on month in September.

In the Malaysian cash market, palm oil products were offered slightly higher, but trading activity was sluggish as buyers stayed on the sidelines.

#### KLCE CPO Futures (23.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1426	1420	1422	1415	-5	1421	234
Oct '05	1430	1428	1432	1424	-6	1424	895
Nov '05	1432	1435	1437	1428	-4	1428	2609



### Domestic:

#### Palm oil

The domestic palm oil market today continued range bound amidst increased uncertainty in the other edible oil markets.

In the month of September, till 22.09.05 the country has imported about 1.28 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 367.50 per tonne and RBD Palmolein at \$ 410.00 per tonne.

The price for palm oil in the market is expected to continue range bound on Saturday on the lower side amidst existing lower retail demand.

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

Centres	23.09.05	22.09.05	Change
Kandla CPO (5 % FFA)	324	324	0
Mumbai CPO (5% FFA)	324	325	-1
Kandla RBD Palmolein	350	350	0
Mumbai RBD Palmolein	358	357	+1
Chennai RBD Palmolein	352	352	0
Kakinada RBD Palmolein	350	350	0

#### Soy oil

The oil market declined marginally towards the end of the day in spite of the firm trading for the most of the day on reduced retail demand and increased pressure of imports.

In the month of September, India has imported about 1.58 lakh tonnes of soybean oil till 23.09.05. The Hazir markets traded marginally lower amidst falling prices in the futures market and declining retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 324 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 515 per tonne.

The market is expected to open range bound and trade lower as the day progresses on Saturday amidst increased speculative selling. Sell with short-term outlook at the higher prices.

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

Centres	23.09.05	22.09.05	Change
Mumbai (Soy ref)	342	342	0
Indore (Soy Ref oil)	356	357	-1
Indore (Soy Solvent Ex. oil)	338	338	0
Kota (Soy Ref. Oil)	364	361	+3
Jaipur (Soy Ref. Oil)	365	364	+1

#### NBOT Soy oil futures as on 23.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	361.30	361.60	362.50	361.00	-0.20	361.10	29890
Nov '05	359.00	359.80	361.00	359.10	+0.20	359.20	4760
Dec '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

#### NCDEX Soy oil futures as on 22.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	362.25	362.80	364.50	360.50	361.90	11690	24380
Nov '05	361.55	362.40	364.00	358.30	359.90	8820	24880
Dec '05	363.95	363.65	363.75	359.50	361.00	610	610

#### Rape oil

The rape oil prices continued marginally lower amidst growing uncertainty in the edible oil markets and lack of retail demand.

Today the mustard arrival was 0.10 lakh bags in Rajasthan. The rapeseed exchange market of Delhi, Hissar, Hapur and the Bikaner traded marginally down amidst low support in retail demand.

The rape market is expected to continue on the lower side on Saturday. Sell with short-term outlook.

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

Centres	23.09.05	22.09.05	Change
Mumbai (Rape Expeller Oil)	395	395	0
Kota (Rape Expeller Oil)	374	375	-1
Jaipur (Rape Expeller Oil)	374	376	-2
Neewai (Kacchi Ghani Rape Oil)	380	382	-2
Delhi (Rape Expeller Oil)	390	395	-5

#### Groundnut oil

The groundnut market trade range bound in the southern markets amidst increased uncertainty in supplies in the edible oil markets. The lack of retail demand is still the major concerns for the unsteady of prices.

The sharp increase in the imports to about 2.90 lakh tonnes (till 23.09.2005) is pressuring the market and not allowing the price to improve significantly.

The domestic market is expected to continue trading range bound on Saturday amidst low retail off take.

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

Centres	23.09.05	22.09.05	Change
Mumbai (Excluding VAT)	500	495	+5
Rajkot	530	530	0
Andhra Region	500	500	0
Chennai	505	508	-3

#### LATEST WEATHER WATCH (23.09.2005)

##### Weather Forecast

During last 24 hours, fairly widespread rain with heavy to very heavy rainfall have occurred over Gujarat, Konkan & Goa, Madhya Maharashtra and Northeastern states. Scattered Moderate to light rainfall have also occurred over coastal Orissa, rest Maharashtra, Madhya Pradesh, Rajasthan, Himachal Pradesh and Uttar Pradesh. Chief amounts of rainfall (cms): Vyara (Dist. Surat) - 22, Sankheda (Dist. Baroda) - 21, Goa & Bhavnagar- 12 cm each, Ahmedabad and Mahabaleshwar- 8 cm each and Mumbai(SCZ)-9.

Yesterday's well marked low pressure over north Madhya Maharashtra and neighbourhood further weakened into a low-pressure area and now lies over Southwest Madhya Pradesh and adjoining Gujarat Region. The associated upper air cyclonic circulation extends upto mid-tropospheric levels. The system is likely to move north-northeastwards and weaken further. Under its influence fairly widespread rainfall with heavy to very heavy falls at a few places is likely over Konkan & Goa, north Madhya Maharashtra, Southwest Madhya Pradesh and Gujarat during next 24 hours.

The trough in lower tropospheric levels from centre of above system now runs to West Uttar Pradesh. It is likely to cause scattered rain over North India.

The western disturbance as an upper air system over north Pakistan and neighbourhood also persists. Under its influence scattered to fairly widespread rains are likely over Western Himalayan region and adjoining Plains during next 2 days.

#### Forecast Valid For Next 72 Hours

**NORTH:** Rain/thundershowers likely at many places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal and at a few places in the rest region.

**SOUTH:** Rain/thundershowers likely at few places over the rest region outside Bihar, Chhattisgarh, Jharkhand and West Bengal where it may be isolated.

**WEST:** Rain/thundershowers likely at most places over Konkan & Goa, north Madhya Maharashtra and Gujarat region; at many places over south Madhya Maharashtra, Saurashtra & Kutch and West Madhya Pradesh and at a few places over the rest region outside West Rajasthan where it may be isolated.

#### Warning

Heavy to very heavy rainfall likely at a few places over Konkan & Goa, north Madhya Maharashtra, Southwest Madhya Pradesh and Gujarat Region. Isolated heavy rainfall also likely over Saurashtra & Kutch, Jammu & Kashmir, Himachal Pradesh and Uttaranchal.

#### Outlook For The Next Two Days

Rainfall activity over Maharashtra, Gujarat and Karnataka is likely to decrease.

## PORT-WATCH (Latest)

Delivery of 6,000 MT of palm oil is continuing at Chennai Port from the vessel 'Chem Bothmia'. Seaport agents is handling the vessel. Chennai Port is expecting 'Ace I' to deliver 5,998 MT of CPO. Interocean agents will be handling the vessel.

'Spring Wind' from Dumai has berthed at Mumbai Port and continues to discharge 2,505 MT of palm oil. Interocean agents is handling the vessel.

Delivery of 8,000 MT of SBO is expected from the vessel 'Bryggen' at Kandla Port. The cargo was loaded from Argentina. Interocean agents will be handling the vessel. Delivery of 4,750 MT of CPO is expected at Kandla Port from the vessel 'Spring Wind'. The cargo was loaded from Dumai. The vessel will be handled by Interocean agents. 'Global Eos' from Malaysia is expected at the port to discharge 5,500 MT of CPO. Forbes Gokak agents will be handling the vessel. The port is expecting 'Azteca' from USA to discharge 5,650 MT of SBO. JM Baxi agents will be handling the vessel.

Kolkata Port is expecting 'MMM Houston' to deliver 6,000 MT of CPO. The vessel will be handled by Seaport agents.

JN Port is expecting 'Storm' to deliver 6,000 MT of SBO.

New Mangalore Port is expecting 'Bumik' to discharge 6,500 MT of CPO. The vessel will be handled by Interocean agents.

## Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Azteca	5650	SBO	Expected
	Spring Wind	4750	SBO	Expected
	Global Eos	5500	CPO	Expected
	Bryggen	8000	SBO	Arrived
Kolkata	MMM Houston	6000	CPO	Expected
Mumbai	Spring Wind	2505	Palm oil	Arrived
JN	Storm	6000	SBO	Expected
Chennai	Ace I	6000	CPO	Expected
	Chem Botima	6000	Palm oil	Arrived
New Mangalore	Bumik	6500	CPO	Expected

## Forex Rates

(As on 23.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.93
Malaysia	Ringgit	11.65
European Union	Euro	53.35
United Kingdom	GBP	78.61
Japan	100 Yen	39.33

## Disclaimer

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