

## VEGOIL

05<sup>th</sup> September 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Traded Range Bound on Declining Volume Support
- Soybean Oil Prices Continued Lower on Lack of Retail Demand

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX September Contract

The September contract closed at 366.80, which is significantly down from yesterday's close. Market opened weak and continued further lower for the day amidst increased speculative selling and growing weakness in the retail market.

The 7-day MA moved down along with the 14-day MA hinting to the creeping weakness in the price trends.

Currently the MACD turned lower indicating the growing weakness in the market.

The 9-days Price ROC continued significantly lower to -0.5693 (pointing downward) indicating the increasing weakness in the market prices. The 9-day RSI lowered in the neutral region to a level of 39.89 supporting the declining strength in the prices.

The % K-line dipped sharply down in the neutral region supporting the declining trend along with the % D-Line.

The candlestick is hinting at the weak opening and lower trade for Tuesday.

#### Market advice:

Market is expected to open weak and trade range bound on the lower side for Tuesday

Selling with short and medium term outlook would yield profit

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Sept' '05	364.20	363.50	366.40	367.20
NCDEX	Sept' '05	365.10	363.90	369.10	370.40

#### Abbreviations:

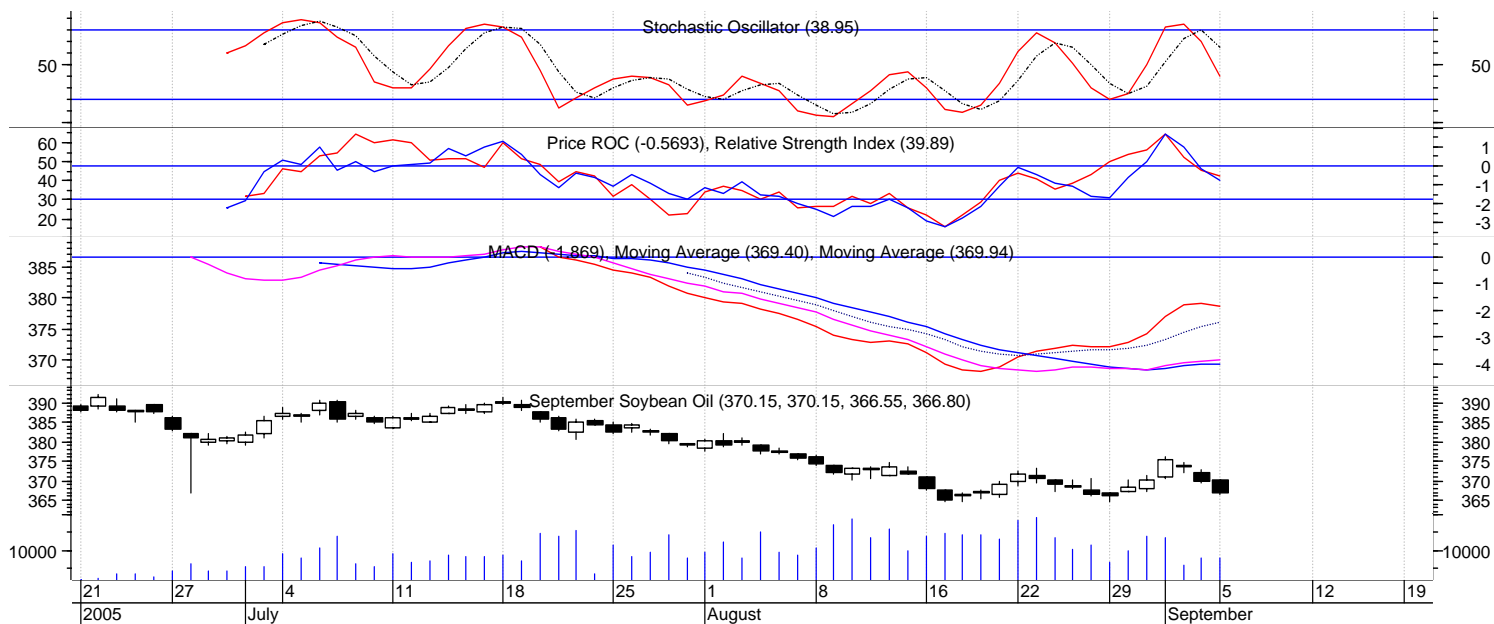
ROC - Rate of Change

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):

CBOT remained closed during the weekend holiday. Market will reopen on Tuesday's evening (06.09.05), as today the CBOT is closed on Labour Day.

#### CBOT Soy oil futures as 02.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.82	22.88	22.88	22.45	-0.29	22.53
5-Oct	22.99	23.00	23.00	22.55	-0.32	22.67
5-Dec	23.30	23.25	23.25	22.81	-0.43	22.87
5-Jan	23.45	23.42	23.42	23.05	-0.40	23.05

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 evening (06.09.05).

#### KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended marginally lower after a lacklustre, range-bound trading day Monday as market participants stayed on the sidelines, awaiting fresh supply and demand indicators and the reopening of the U.S. soybean market.

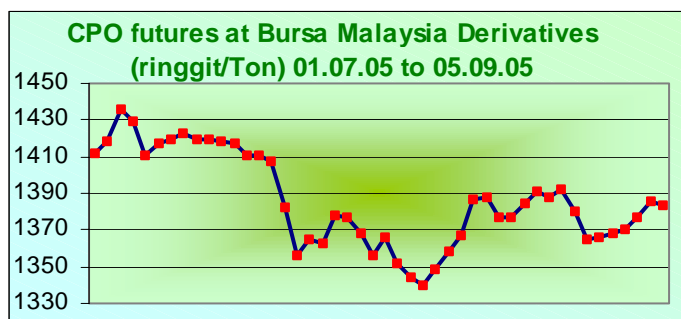
Speculative trading linked to the weakness of the Indonesian rupiah, which touched four-year lows last week, has also eased, as the currency has since become more stable.

The Malaysian Palm Oil Board is due to issue official August supply and demand data Sept. 12. The same day, cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd are scheduled to release Oct. 1-10 Malaysian palm oil export estimates. Also that day, the U.S. Department of Agriculture is expected to issue its latest monthly report, which will include 2005 U.S. soybean production projections.

With no new supply and demand data for palm oil due this week, the market is unlikely to break out of its range-trading mode. In the Malaysian cash market activity was subdued, with trading limited to some covering interest for nearby deliveries.

#### KLCE CPO Futures (05.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1369	1364	1369	1364	0	1369	152
Oct '05	1383	1376	1382	1374	-3	1380	520
Nov '05	1386	1381	1387	1377	-2	1384	1532



## Domestic:

#### Palm oil

The domestic palm oil market today traded range bound on the negative side amidst low retail demand and increased uncertainty in other edible oil markets.

In the month of September, till 05.09.05 the country has imported about 30.00 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 360.00 per tonne and RBD Palmolein at \$ 397.50 per tonne.

The price for palm oil in the market is expected to continue range bound on Tuesday amidst growing uncertainty in the retail market.

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

Centres	05.09.05	03.09.05	Change
Kandla CPO (5 % FFA)	326	328	-2
Mumbai CPO (5% FFA)	328	330	-2
Kandla RBD Palmolein	361	362	-1
Mumbai RBD Palmolein	365	367	-2
Chennai RBD Palmolein	355	358	-3
Kakinada RBD Palmolein	356	358	-2

#### Soy oil

The domestic market dipped further lower amidst increased speculative selling and low retail demand.

In the month of September, India has imported about 52.00 lakh tonnes of soybean oil till 5.09.05. The Hazir markets declined marginally amidst growing uncertainty.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 332 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 505 per tonne.

The market is expected to open weak but range bound recovery in the ending session cannot be declined as the day progresses on Tuesday. Do not make fresh entry and stay short.

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

Centres	05.09.05	03.09.05	Change
Mumbai (Soy ref)	350	351	-1
Indore (Soy Ref oil)	368	370	-2
Indore (Soy Solvent Ex. oil)	345	347	-2
Kota (Soy Ref. Oil)	372	375	-3
Jaipur (Soy Ref. Oil)	374	376	-2

#### NBOT Soy oil futures as on 05.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	367.70	367.00	367.30	365.30	-2.00	365.70	4110
Oct '05	373.40	371.80	372.90	370.60	-2.00	371.40	23470
Nov '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

**NCDEX Soy oil futures as on 03.09.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	373.40	372.00	372.80	369.50	369.90	7960	21840
Oct '05	377.35	376.55	376.60	373.10	373.50	13120	27990
Dec '05	377.30	377.05	377.05	373.50	374.05	4090	13680

**Rape oil**

The rape oil prices declined marginally following the steep decline in the soybean oil futures in both spot and futures market.

Today the mustard arrival was 0.20 lakh bags in Rajasthan; the added arrival was owing to the NAFED, which has started selling of the rapeseeds in four markets of Rajasthan in the price range of Rs.1670-1690.

The rape oil exchange market of Delhi, Hissar, Hapur and the Bikaner closed marginally lower amidst declining buyers' support.

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

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

Centres	05.09.05	03.09.05	Change
Mumbai (Rape Expeller Oil)	400	402	-2
Kota (Rape Expeller Oil)	382	383	-1
Jaipur (Rape Expeller Oil)	383	385	-2
Neewai (Kacchi Ghani Rape Oil)	400	402	-2
Delhi (Rape Expeller Oil)	400	403	-3

**Groundnut oil**

The groundnut market continued declining marginally on rising uncertainty in the retail market and significant decline in the other edible oil futures.

The prospect of the good crop of groundnut is still not clear. The crop is expected to be lower amidst lower crop area and receding rains in most growing areas.

The domestic market is expected to continue trading range bound on Tuesday amidst expected increased demand.

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

Centres	05.09.05	03.09.05	Change
Mumbai (Excluding VAT)	515	518	-3
Rajkot	530	535	-5
Andhra Region	518	520	-2
Chennai	520	522	-2

**LATEST WEATHER WATCH (05.09.2005)****Weather Forecast**

During last 24 hours, fairly widespread rains with isolated heavy rainfall have occurred over Tamil Nadu & Pondicherry, Karnataka, Kerala and Lakshadweep. Scattered rainfall has also occurred over Andhra Pradesh, Konkan & Goa, Madhya Maharashtra, Orissa, Chhattisgarh, East Madhya Pradesh and North-eastern States.

Morning's upper air cyclonic circulation over Telangana and neighbourhood now lies over North Interior Karnataka & neighbourhood and extends upto mid tropospheric levels tilting southwards with height. The trough running from this system to Southeast Rajasthan in the lower levels persists.

Increased rainfall activity is likely to continue over Sub-Himalayan West Bengal & Sikkim, north-eastern states, Konkan & Goa and southwest Peninsula for next 48-hours with isolated heavy rainfall over Konkan & Goa, Sub-Himalayan West Bengal & Sikkim, Karnataka, Kerala and Lakshadweep.

**Forecast Valid For Next 72 Hours**

Rain/thundershowers are likely at most places over Konkan & Goa; at many places over Coastal Karnataka, Kerala and Lakshadweep; at a few places over north-eastern States, Sub-Himalayan West Bengal & Sikkim, Madhya Pradesh, Gujarat Region, remaining parts of Maharashtra, interior Tamil Nadu and interior Karnataka. It may be isolated over rest of the country outside Rajasthan where weather may be mainly dry. Reduction of rainfall over Madhya Pradesh, Gujarat, Maharashtra & Goa and Karnataka after 5th. Increase in rainfall activity over Coastal Andhra Pradesh and Tamil Nadu after 6th.

**NORTH:** Rain/thundershowers likely at many places over Uttaranchal; at a few places over Uttar Pradesh and Himachal Pradesh and isolated in the rest region.

**SOUTH:** Rain/thundershowers likely at many places over Andaman & Nicobar Islands, Karnataka, Kerala and Lakshadweep and at a few places in the rest region outside Interior Andhra Pradesh where it will be isolated.

**WEST:** Rain/thundershowers likely at many places over Konkan and Goa and south Madhya Maharashtra and at a few places over north Madhya Maharashtra and Gujarat region and isolated over rest region.

**Warning**

Isolated heavy rainfall likely over Andaman & Nicobar Islands, Konkan & Goa, northeast States, Sub-Himalayan West Bengal & Sikkim, Coastal Karnataka, Kerala and Lakshadweep.

**Outlook For The Next Two Days**

Rainfall activity over Peninsular India is likely to continue with increase in rainfall over Andhra Pradesh and Tamil Nadu.

**PORT-WATCH (Latest)**

Delivery of 4,500 MT of CPO is continuing at Kandla Port from the vessel 'Global Eos'. The cargo was loaded from Indonesia. Forbes Gokak agents is handling the vessel. 'Pacific Sound' from Padang has berthed at Kandla Port and continues to discharge 7,700 MT of palm oil. Interocean agents is handling the vessel. 'Golden Express' from Malaysia is expected at the port to discharge 8,000 MT of CPO. JM Baxi agents will be handling the vessel. The port is expecting 'Victory Prima' from Padang to deliver 9,475 MT of palm oil. The vessel will be handled by JM Baxi agents. Delivery of 13,250 MT of SBO is expected at the port from the vessel 'Biz'. The cargo was loaded from Argentina. Interocean agents will be handling the vessel.

Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'Star Orion'. Seaport agents is handling the vessel. Kolkata Port is expecting 'Ocean Ace' to deliver 6,000 MT of CPO. The vessel will be handled by Atlantic agents.

Kakinada Port is receiving 2,000 MT of CPO from the vessel 'Spring Glory'. The port is expecting 'Golden Crane' to deliver 6,000 MT of CPO.

Delivery of 19,000 MT of SBO is continuing at JNPT from the vessel 'Commuter'. The cargo was loaded from Brazil. Interocean agents is handling the vessel.

Cochin Port is receiving 3,000 MT of palm oil from the vessel 'Eastern Eminity'. The vessel is being handled by GAC agents.

The port is expecting 'Ace I' to discharge 6,000 MT of palm oil. Mega Freight agents will be handling the vessel.

'Global Venus' has berthed at New Mangalore Port and continues to discharge 8,500 1MT of CPO. Patvolk agents is handling the vessel. Delivery of 40,600 MT of SBO is continuing at New Mangalore Port from the vessel 'Felicity'. Interocean is handling the vessel.

Mumbai Port is expecting 'Pacific Sound' from Padang to deliver 6,747 MT of CPO. Interocean agents is handling the vessel.

'Gulf Dove' is expected at Chennai Port to deliver 6,000 MT of SBO. JM Baxi will be handling the vessel. Delivery of 6,000 MT of palm oil is expected at Chennai Port from the vessel 'Ace I'. The vessel will be handled by Seaport agents.

Delivery of 6,000 MT of CPO is expected at Mundra Port from the vessel 'Vernal Grace'. Taurus agents will be handling the vessel.

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Champion Vincita	19000	SBO	Expected
	Global Eos	4500	CPO	Arrived
	Pacific Sound	7700	Palm oil	Arrived
	Golden Express	8000	CPO	Expected
	Victory Prima	9475	Palm oil	Expected
	Biz	13250	SBO	Expected
Mumbai	Pacific Sound	6747	CPO	Expected
Kolkata	Star Orion	6000	CPO	Arrived
	Ocean Ace	6000	CPO	Expected
Kakinada	Spring Glory	2000	CPO	Arrived
	Golden Crane	6000	CPO	Expected
Chennai	Gulf Dove	6000	SBO	Expected
	Ace I	6000	Palm oil	Expected
Tuticorin	Siam Bhavas	6000	CPO	Arrived
Cochin	Eastern Eminity	3000	Palm oil	Arrived
	Ace I	6000	Palm oil	Expected
Mundra	Vernal Grace	6000	CPO	Expected
JN	Commuter	19000	SBO	Arrived
New Mangalore	Global Venus	8500	CPO	Arrived
	Felicity	40600	SBO	Arrived

#### Forex Rates

(As on 05.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.74
Malaysia	Ringgit	11.67
European Union	Euro	54.94
United Kingdom	GBP	80.75
Japan	100 Yen	40.04

#### Disclaimer

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