

## VEGOIL

03<sup>rd</sup> September 2005

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Plummeted Sharply On Increased Delivery and Increased Production
- South American Soybean Continued Improving On Increased Trading Prospects
- Soybean Oil Prices Dipped Sharply On Increased Speculative Selling

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX September Contract

The September contract closed at 369.70, which was notably down from yesterday's close. Market opened weak and continued lower till the end of the day amidst increased speculative selling.

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

Currently the MACD is bullish and is moving up indicating the existing strength in the market.

The 9-days Price ROC moved significantly lower to -0.2025 (pointing downward) indicating the weakness in the market prices. The 9-day RSI also improved marginally in the neutral region to a level of 46.62 supporting the declining strength in the prices.

The % K-line dipped down in the neutral region supporting the declining trend while the % D-Line moved up in the neutral region hinting to the continuing up trend in the market.

The candlestick is hinting at the weak opening and range bound trade for Monday.

#### Market advice:

Market is expected to open range bound but trade positive for Monday

Avoid new entry with medium and long-term outlook

Short term buying would yield profit (Carefully look for the opening before investing)

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Sept' '05	366.10	365.40	368.90	369.40
NCDEX	Sept' '05	368.20	367.00	371.20	372.90

#### Abbreviations:

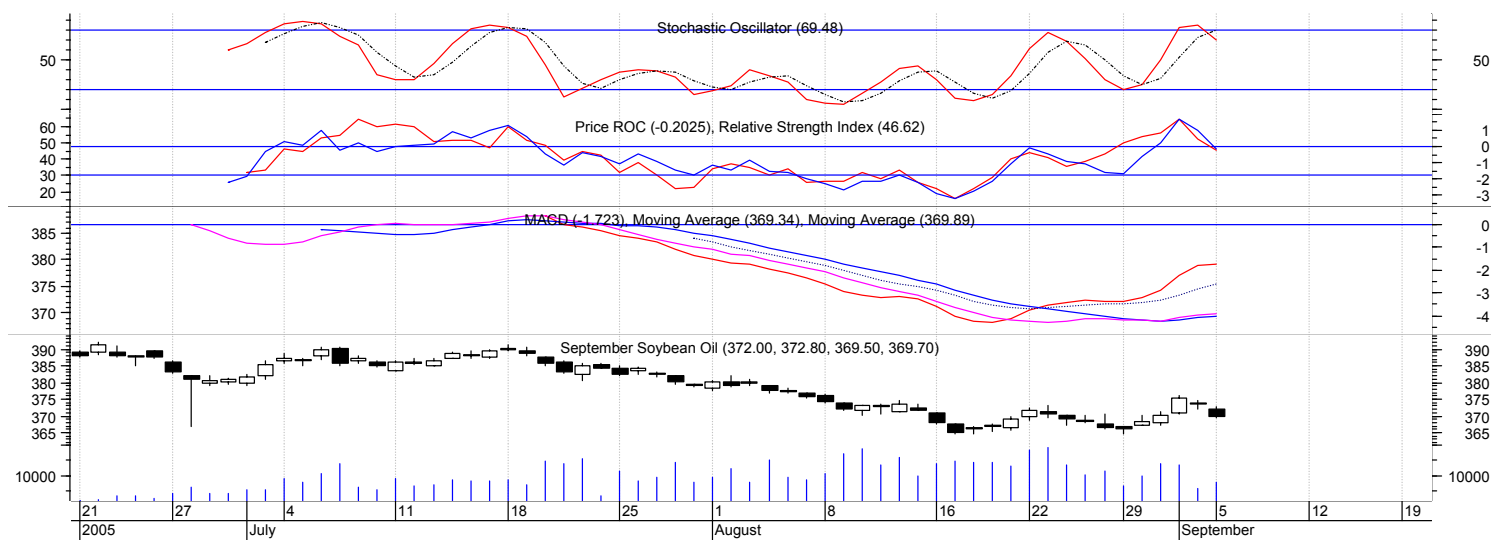
ROC - Rate of Change

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):

Soybean futures on the Chicago Board of Trade ended lower Friday, pressured by speculative selling in thin trade amid export uncertainties and bearishly construed private crop estimates.

Informa Economics pegged soybean production at 77.29 billion tonnes with a yield of 1.06 tonnes per acre. Thursday afternoon, FC Stone pegged the crop at 77.15 million tonnes with a yield of 1.06 tonne an acre. This bearish crop estimate is likely to lower the market prices further.

The US soybean is expected to trade further lower on Monday evening amidst significant improvement in the current crop estimates.

#### 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

The uncertain port situation in New Orleans increased the trading prospects of South American soybeans.

The USDA attache in Brazil pegged the 2005/2006 crop at 61 million tonnes, which was up about 2 million tonnes from their previous forecast, which has further enhanced the export demand of Brazilian soybean.

Rumours that China bought 2 cargoes of US soybeans for shipment from the Pacific Northwest supported the market.

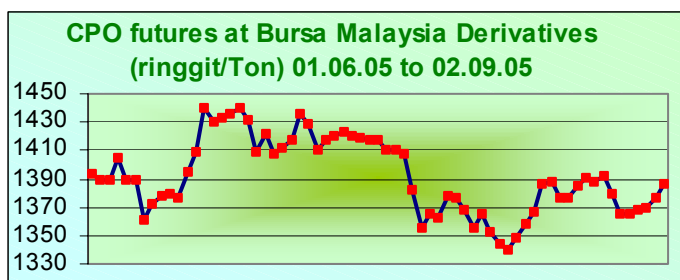
A private firm pegged the US soybean crop at 77.15 million tonnes as compared with 75.95 million tonnes as the August USDA forecast. With continued export demand and increasing prospects of further Asian demand, the market is expected to improve further on Monday.

#### KLCE (Malaysian Palm Oil):

KLCE market remained closed on regular weekend holiday. It will reopen on Monday (05.09.05).

#### KLCE CPO Futures (02.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1362	1368	1369	1363	+7	1369	264
Oct '05	1375	1378	1382	1373	+7	1382	644
Nov '05	1377	1380	1386	1376	+9	1386	2135



## Domestic:

#### Palm oil

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

In the month of September, till 03.09.05 the country has imported about 22.00 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 362.50 per tonne and RBD Palmolein at \$ 400.00 per tonne.

The price for palm oil in the market is expected to continue range bound on the higher side on Monday amidst growing retail demand.

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

Centres	03.09.05	02.09.05	Change
Kandla CPO (5 % FFA)	328	327	+1
Mumbai CPO (5% FFA)	330	329	+1
Kandla RBD Palmolein	362	362	0
Mumbai RBD Palmolein	367	367	0
Chennai RBD Palmolein	358	358	0
Kakinada RBD Palmolein	358	360	-2

#### Soy oil

The domestic market plummeted sharply amidst increased speculative selling and low retail demand.

In the month of September, India has imported about 28.00 lakh tonnes of soybean oil till 3.09.05. The Hazir markets improved marginally amidst growing uncertainty.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 334 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 509 per tonne.

The market is expected to open weak but range bound recovery cannot be declined as the day progresses on Monday. Do not make fresh entry and stay long.

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

Centres	03.09.05	02.09.05	Change
Mumbai (Soy ref)	351	354	-2
Indore (Soy Ref oil)	370	369	+1
Indore (Soy Solvent Ex. oil)	347	345	+2
Kota (Soy Ref. Oil)	375	372	+3
Jaipur (Soy Ref. Oil)	376	374	+2

#### NBOT Soy oil futures as on 03.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	371.30	370.00	370.20	367.30	-3.90	367.40	5940
Oct '05	377.40	376.20	376.40	372.90	-4.30	373.10	13900
Nov '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

**NCDEX Soy oil futures as on 02.09.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	372.20	374.00	374.50	372.00	373.40	5820	20980
Oct '05	375.80	377.50	378.50	376.20	377.35	16830	30570
Dec '05	375.70	377.00	379.00	376.45	377.30	8770	13640

**Rape oil**

The rape oil prices declined sharply following the steep decline in the soybean oil futures in spite of the approach of the festival local demand in the retail markets.

Today the mustard arrival was 0.12 lakh bags in Rajasthan.

The rape oil exchange market of Delhi, Hissar, Hapur and the Bikaner closed significantly lower, declining buyers' support and selling of the rapeseeds in four markets of Rajasthan by NAFED.

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

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

Centres	03.09.05	02.09.05	Change
Mumbai (Rape Expeller Oil)	402	400	+2
Kota (Rape Expeller Oil)	383	380	+3
Jaipur (Rape Expeller Oil)	385	381	+4
Neewai (Kacchi Ghani Rape Oil)	402	400	+2
Delhi (Rape Expeller Oil)	403	405	-2

**Groundnut oil**

The groundnut market declined marginally on increased uncertainty in the retail market and sharp decline in the other edible oil futures.

Area under groundnut crop is lower mainly due to lesser coverage in Andhra Pradesh, Gujarat, Maharashtra, Tamil Nadu and Uttar Pradesh.

The domestic market is expected to continue trading range bound on the high on Saturday amidst expected increased demand.

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

Centres	03.09.05	02.09.05	Change
Mumbai (Excluding VAT)	518	520	-2
Rajkot	535	535	0
Andhra Region	520	522	-2
Chennai	522	524	-2

**LATEST WEATHER WATCH (03.09.2005)****Weather Forecast**

During past 24 hours, rainfall activity has increased over Peninsula and parts of eastcentral India. Chief amounts of rainfall (cms.) are Chitradurg-11, Balasore-8, Mangalore-7, Cochin-6, Paradip-5, Satara, Tiruchurapally, Hyderabad, Madikeri and Dharampuri- 4 each.

Yesterday's upper air cyclonic circulation over westcentral Bay of Bengal off Coastal Andhra Pradesh extending upto 4.5 km a.s.l. now lies over Coastal Andhra Pradesh and adjoining westcentral Bay of Bengal tilting southwards with height. The north-south trough now runs from central Uttar Pradesh to this system upto 3.1 km a.s.l.

Under this scenario, increased rainfall activity is likely over peninsula for next 2-3 days. Isolated to scattered light to

moderate rainfall is also likely over northeast & eastcentral India and Maharashtra.

**Forecast Valid For Next 72 Hours**

Rain/thundershowers are likely at a few places over Andaman & Nicobar Islands, northeastern States, West Bengal & Sikkim, Orissa, Chhattisgarh, East Uttar Pradesh, south Konkan & Goa, south Madhya Maharashtra, Tamil Nadu & Pondicherry, Andhra Pradesh, Karnataka, Kerala and Lakshadweep. It may be isolated over Bihar, Jharkhand, West Uttar Pradesh, Uttaranchal, East Madhya Pradesh, north Konkan & Goa, north Madhya Maharashtra, Marathwada and Vidarbha. Isolated thundersquall is also likely over Nagaland, Manipur, Mizoram & Tripura, Gangetic West Bengal, Orissa, Chhattisgarh and East Uttar Pradesh. Rainfall activity likely to increase over south Peninsula and Interior Maharashtra from 4th. Weather may be mainly dry in the rest regions of the country.

**NORTH:** Rain/thundershowers likely at a few places over East Uttar Pradesh and isolated over Uttaranchal and West Uttar Pradesh. Isolated thundersquall likely over East Uttar Pradesh. Mainly dry weather in the rest region.

**SOUTH:** Rain/thundershowers likely at many places in the region.

**WEST:** Rain/thundershowers likely at many places over south Konkan & Goa and south Madhya Maharashtra; at a few places over Vidarbha and Isolated over rest Maharashtra. Mainly dry weather in the rest region.

**Warning**

Isolated heavy rainfall likely over Coastal Andhra Pradesh , Karnataka, Kerala and Lakshadweep.

**Outlook For The Next Two Days**

Enhanced rainfall activity likely over Peninsular India.

Light to moderate scattered rainfall likely over eastcentral and northeast India.

Mainly dry weather over northwest India.

**PORT-WATCH (Latest)**

Mundra Port is receiving 7,500 MT of SBO from the vessel 'Champion Vincita'. The cargo was loaded from Argentina. Interocean agents is handling the vessel.

Delivery of 19,000 MT of SBO is continuing from the vessel 'Fedelity' at JN Port. Shantilal agents is handling the vessel.

Kolkata Port is receiving 9,550 MT of SBO from the vessel 'Montana Star'. JM Baxi agents is handling the vessel.

Delivery of 19,000 MT of SBO is expected at Kandla Port from the vessel 'Champion Vincita'. The cargo was loaded from Argentina. Interocean agents will be handling the vessel. The port is expecting 'Khadijah' from Malaysia to deliver 6,250 MT of CPO. The vessel will be handled by JM Baxi agents.

Delivery of 10,000 MT of palm oil is expected at Mumbai Port from the vessel 'Chemstar Hero'. JM Baxi agents will be handling the vessel.

'Tirta Niaga 2' is expected at Chennai Port to discharge 4,000 MT of palm oil. Unicorn agents will be handling these vessels.

Delivery of 3,000 MT of palm oil is expected at Cochin Port from the vessel 'MMM Kingston'. GAC agents is handling the vessel.

**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Champion Vincita	19000	SBO	Expected
	Khadijah	6250	CPO	Expected
Mumbai	Chemstar Hero	10000	Palm oil	Arrived
Kolkata	Montana Star	9550	SBO	Arrived
Chennai	Trita Niaga 2	4000	Palm oil	Expected
Tuticorin	Siam Bhavas	6000	CPO	Arrived
Cochin	MMM Kingston	3000	Palm oil	Expected
Mundra	Champion Vincita	7500	SBO	Arrived
JN	Fedility	19000	SBO	Arrived

**Forex Rates****(As on 03.09.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.92
Malaysia	Ringgit	11.68
European Union	Euro	55.10
United Kingdom	GBP	81.00
Japan	100 Yen	40.00

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