

## VEGOIL

10<sup>th</sup> September 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Continued Lower Amidst Increased Production Figures
- Soybean Oil Prices Traded Range Bound Amidst Indecisive Buyer's Support

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX October Contract

The October contract closed at 367.60, which is marginally lower from yesterday's close. Market opened weak and continued lower pressured by the sellers and declining buyers support.

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

MACD also continued further lower with a declining slope indicating the existence of weakness in the market.

The 9-days Price ROC moved sharply lower to -3.222 (pointing downward) indicating the declining strength in the prices. The 9-day RSI also dipped lower in the neutral region to a level of 34.82 supporting the declining strength in the prices.

The % K-line improved marginally in the oversold region hinting to the steadiness but the % D-Line continued further lower hinting to the declining strength.

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 for Tuesday amidst consistent decline in the retail demand

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	364.20	366.60	367.30	368.70
NCDEX	Oct' '05	365.60	364.90	367.60	368.60

#### Abbreviations:

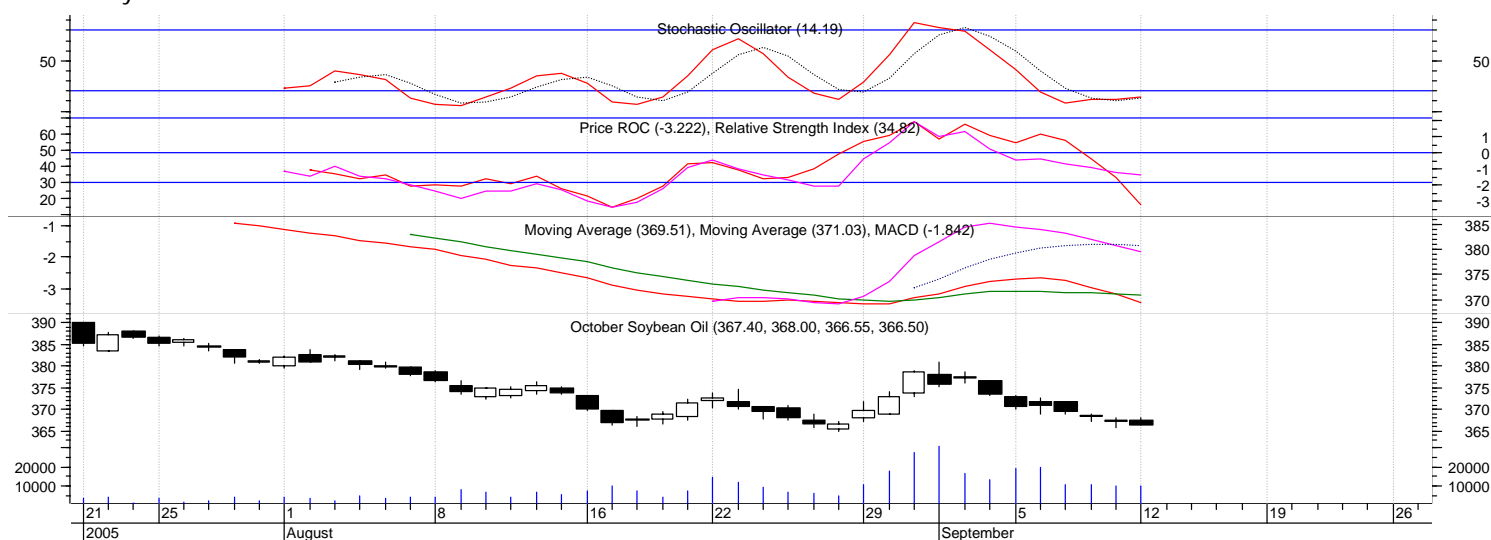
ROC - Rate of Change

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 Monday's evening (12.09.05).

#### CBOT Soy oil futures as 09.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.40	22.48	22.59	22.17	-0.23	22.17
5-Oct	22.45	22.44	22.68	22.23	-0.22	22.23
5-Dec	22.67	22.65	22.91	22.49	-0.18	22.49
5-Jan	22.86	22.98	23.10	22.66	-0.19	22.67

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 Monday's evening (12.09.05).

#### KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended moderately lower Monday after staying well within recent ranges as a slew of supply and demand data failed to excite the market.

MPOB reported August palm oil production at 1.36 million tons, up 5.6% on month. It pegged August exports at 1.17 million tons, up 8.3% on month. Stocks totaled 1.33 million tons at end-August, up 4.7% from end-July.

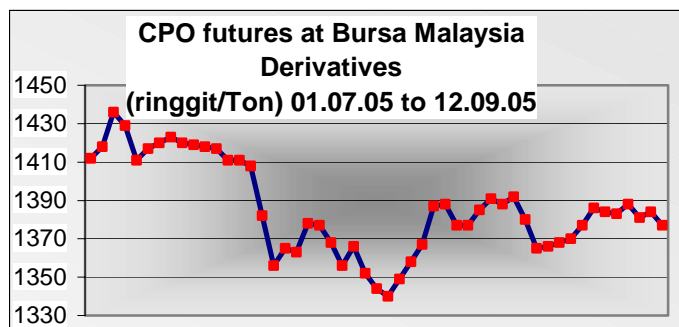
Usually, higher stocks are bearish for prices, but traders expressed that the latest figures were already discounted, as there had been speculation for weeks that stocks would rise to slightly above 1.3 million tons.

Intertek estimated Sept. 1-10 palm oil exports at 376,306 tons, down 6.4% on month, which was disappointing, as participants were expecting steady exports. SGS on the other hand, pegged exports at 392,742 tons, up 0.4% on month, which marginally checked the downfall in the prices.

In the Malaysian cash market, palm oil products were mostly unchanged as buying interest remained sluggish.

#### KLCE CPO Futures (12.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1367	1360	1362	1351	-15	1352	508
Oct '05	1378	1373	1373	1367	-6	1372	550
Nov '05	1384	1378	1381	1373	-7	1377	2566



### Domestic:

#### Palm oil

The domestic palm oil market traded range bound on the lower side amidst lack of retail demand and declining sentiments in other edible oil markets.

In the month of September, till 10.09.05 the country has imported about 0.28 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 355.00 per tonne and RBD Palmolein at \$ 392.50 per tonne.

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

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

Centres	12.09.05	10.09.05	Change
Kandla CPO (5 % FFA)	323	324	-1
Mumbai CPO (5% FFA)	324	325	-1
Kandla RBD Palmolein	352	354	-2
Mumbai RBD Palmolein	359	361	-2
Chennai RBD Palmolein	355	355	0
Kakinada RBD Palmolein	354	355	-1

#### Soy oil

The domestic market continued lower amidst declining retail demand and increased rains in MP and Maharashtra.

Bears are strongly gripping the market amidst heavy and continued rains in the major growing areas, which was long required for better growth of the soybean crops.

In the month of September, India has imported about 1.02 lakh tonnes of soybean oil till 12.09.05. The Hazir markets declined marginally seeing the uncertain retail market and declining retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 328 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 498 per tonne.

The market is expected to open weak and trade lower as the day progresses on Tuesday amidst declining international markets and continued low retail demand. Sell with short-term outlook to book profit.

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

Centres	12.09.05	10.09.05	Change
Mumbai (Soy ref)	347	349	-2
Indore (Soy Ref oil)	357	360	-3
Indore (Soy Solvent Ex. oil)	336	337	-1
Kota (Soy Ref. Oil)	364	365	-1
Jaipur (Soy Ref. Oil)	365	365	0

#### NBOT Soy oil futures as on 12.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	360.80	360.50	361.00	360.10	-0.60	360.20	4500
Oct '05	366.30	365.40	367.00	365.40	-0.80	365.50	15110
Nov '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

**NCDEX Soy oil futures as on 10.09.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	364.50	366.90	366.90	362.30	363.10	3390	15130
Oct '05	368.45	367.40	368.00	365.75	367.25	10160	21350
Dec '05	368.60	368.00	368.45	365.90	367.75	2970	16790

**Rape oil**

The rape oil prices continued range bound amidst lack of retail support both at the futures as well as the spot markets.

Today the mustard arrival was 0.15 lakh bags in Rajasthan. Heavy rains in most parts of MP Rajasthan and Maharashtra has led to increased uncertainty in the mustard oil markets.

The rape oil exchange market of Delhi, Hissar, Hapur and the Bikaner traded range bound amidst continuous decline in retail demand.

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	12.09.05	10.09.05	Change
Mumbai (Rape Expeller Oil)	392	396	-4
Kota (Rape Expeller Oil)	370	375	-5
Jaipur (Rape Expeller Oil)	372	376	-4
Neewai (Kacchi Ghani Rape Oil)	380	382	-2
Delhi (Rape Expeller Oil)	392	394	-2

**Groundnut oil**

The groundnut market continued on declining path amidst heavy rains in major growing areas, which has improved the crop prospects in Gujarat, Maharashtra and Madhya Pradesh.

The sharp increase in the imports to about 1.56 lakh tonnes (till 12.09.2005) is pressuring the market and not allowing the price to improve significantly. Lack of increased retail demand and declining

The domestic market is expected to continue trading range bound on the lower side on Tuesday amidst increased rains expected in the near days.

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

Centres	12.09.05	10.09.05	Change
Mumbai (Excluding VAT)	507	505	-2
Rajkot	522	520	-2
Andhra Region	500	515	-5
Chennai	515	520	-5

**LATEST WEATHER WATCH (12.09.2005)****Weather Forecast**

During last 24 hours, fairly widespread rains with heavy to very heavy falls have occurred over Konkan & Goa, Madhya Maharashtra, Gujarat Region, Orissa and Chhattisgarh. Chief amounts of the rainfall (in cms.) are: Mahabaleshwar-11, Mumbai (Santacruz)-9, Vihar-9, Bhira-9, Raipur-8, Baroda-7, Mumbai (Colaba)-7, Tansa-7, Uppuwaiterana-7, Puri-7, Jagdalpur-6, Vaitarana-6, Bhatsa-6, Bhubaneshwar-6, Dahanu-5, Ratnagiri-4, Tulsi-4, Panjim-3, Harnai-2 and Nasik-1.

The low pressure area over west-central & adjoining northwest Bay of Bengal moved north-northwestwards and concentrated

into a depression. It lies today morning at 0830 hours IST over northwest Bay of Bengal with its centre near Lat. 20° N/Long 88° E about 150 Km east of Paradip. The system is likely to move in a northwesterly direction.

Under the influence of above systems, fairly widespread rains with heavy to very heavy falls are likely over Orissa, Chhattisgarh, Gujarat, Konkan & Goa, Madhya Maharashtra and Gangetic West Bengal during next 2-3 days. Rainfall may increase over Jharkhand, Chhattisgarh, Vidarbha and East Madhya Pradesh during subsequent two days.

**Forecast Valid For Next 72 Hours**

Rain/thundershowers are likely at most places over coastal Orissa, south Gangetic West Bengal, south Gujarat, Konkan & Goa, north Madhya Maharashtra, north Coastal Andhra Pradesh, Kerala and Lakshadweep; at many places over Andaman & Nicobar Islands, rest Orissa, rest Gangetic West Bengal, Uttaranchal, Himachal Pradesh, Jammu & Kashmir, East Rajasthan, West Madhya Pradesh, north Gujarat, south Madhya Maharashtra, south Coastal Andhra Pradesh, Telangana and Coastal & North Interior Karnataka and at a few places over the rest regions of the country outside north-eastern States and Sub-Himalayan West Bengal & Sikkim where it may be isolated. Further increase in rainfall activity over West Bengal, interior Orissa, Bihar, Jharkhand, Chhattisgarh and East Madhya Pradesh from 12th.

**NORTH:** Rain/thundershowers likely at many places over Punjab, Himachal Pradesh and Uttaranchal and at a few places over the region.

**SOUTH:** Rain/thundershowers likely at most places over north Coastal Andhra Pradesh; at many places over Andaman & Nicobar Islands, Telangana, Coastal Karnataka, Kerala and Lakshadweep and at a few places over the rest region outside Tamil Nadu & Pondicherry where it may be isolated.

**WEST:** Rain/thundershowers likely at most places over south Gujarat and Konkan & Goa; at many places over north Gujarat, Madhya Maharashtra and West Madhya Pradesh and at a few places over rest region.

**Warning**

Heavy to very heavy rainfall likely at a few places over Orissa, Chhattisgarh, south Gujarat, Konkan & Goa and Madhya Maharashtra. Isolated heavy rain also likely over Gangetic West Bengal, Himachal Pradesh, Uttaranchal Telangana, Coastal Karnataka and Andaman Islands.

**Outlook For The Next Two Days**

Ongoing rainfall activity is likely to continue over Maharashtra and Gujarat.

Increase in rainfall likely over Madhya Pradesh, Gangetic West Bengal, Jharkhand and Interior Maharashtra.

**PORT-WATCH (Latest)**

Delivery of 7,775 MT of CPO is continuing from the vessel 'Suta Tiga' at Kandla Port. The cargo was loaded from Indonesia. Inter-ocean agents is handling the vessel. The port is receiving 6,250 MT of CPO from the vessel 'Khadijah'. The cargo was loaded from Malaysia. The vessel is being handled by Atlantic agents.

Mundra Port is receiving 20,000 MT of SBO from the vessel 'Bow Maastroom'. The vessel was handled by Inter-ocean agents. The port is expecting 'Gemini' to discharge 10,257 MT of CPO. Patvolk agents will be handling the vessel.

Cochin Port is receiving 3,000 MT of palm oil from the vessel 'Siam Pavinee'. Seaworld agents is handling the vessel. Delivery

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

JN Port is received 10,000 MT of CPO from the vessel 'Marine Champion'. The vessel was handled by Interocean agents. Delivery of 15,000 MT of SBO is expected at JN Port from the vessel 'Integrity'. Interocean agents is handling the vessel.

'MMM Jackson' is expected at Kakinada Port to deliver 6,000 MT of CPO.

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Suta Tiga	7775	CPO	Arrived
	Khadijah	6250	CPO	Arrived
Kolkata	Ocean Ace	6000	CPO	Arrived
Kakinada	MMM Jackson	6000	CPO	Expected
Mundra	Bow Maastroom	20000	SBO	Arrived
	Gemini	10257	CPO	Expected
Cochin	MMM Kingston	3000	Palm oil	Expected
	Siam Pavinee	3000	Palm oil	Arrived
JN	Marine Champion	10000	CPO	Arrived
	Integrity	15000	SBO	Expected

#### Forex Rates

(As on 12.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.87
Malaysia	Ringgit	11.62
European Union	Euro	54.48
United Kingdom	GBP	80.74
Japan	100 Yen	40.25

#### Disclaimer

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