

## VEGOIL

28<sup>th</sup> September 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Down on Long liquidation
- Sentiment Eases in Soybean Markets

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX October Contract

Soyoil October contract settled on significantly downside than yesterday's close at 365.65 today. Soyoil prices are down amidst increased selling support at the domestic exchanges as well as the international exchanges (KLCE).

The 7-day MA is moving slightly upwards but remained below the 14-day MA, 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 going to upward after made a bullish crossover with its EMA, indicating further uptrend in the coming days.

The 9-days Price ROC rebounded and is going to down 0.0412, indicating bearish sentiments of the prices. The 9-day RSI is moving downwards in the neutral region to a level of 42.44 supporting the bearish sentiments in the market prices.

The % K-line bounced back and is going to downward after cutting the % D-line from up in neutral region, hinting short-term weak in the prices.

The candlestick is showing a indecisive market sentiment due to the closing and open remained same. Indicating bearishness.

#### Market advice:

Market is expected to open below and trade bearish for Thursday.

Selling in the opening session would yield profit in the short-term

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Oct' '05	365.63	366.48	363.34	362.27

#### Abbreviations:

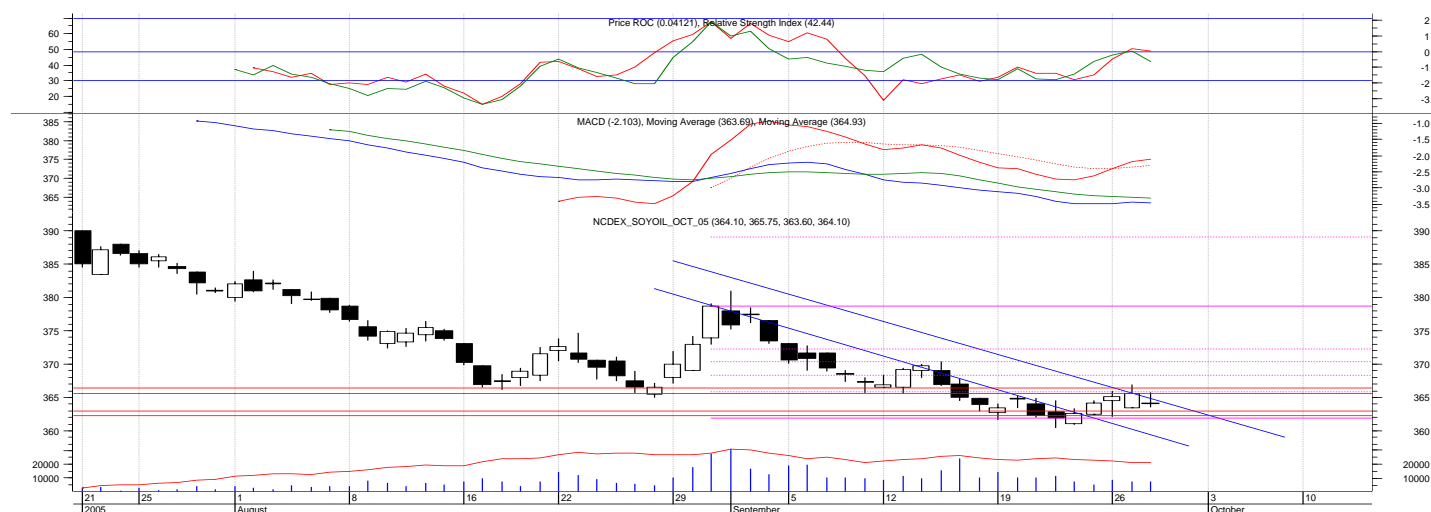
ROC - Rate of Change

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 future settled down):

Soy futures at Chicago Board of Trade settled lower for the second consecutive day. November soybean futures ended down 10 cents at \$5.575 per bushel and January down 9.5 cents at \$5.6675 per bushel. December soy meal future ended down \$1.6 at \$170.8 per ton and December soybean off 66 points at 22.28 cents per pound. Dearth of any supportive news continued to weigh on soy futures. Weather turned out to be dry in Midwest states. Harvest may pick up in Midwest areas. US is going to harvest 77 million ton this year, of which it's to push the 30.35 million odd ton in the global markets in this marketing year. US might be hurry to complete most of its export in next six months, after which some 99 million ton soybean will be ready for harvest in South American continent. Last export inspection report released by USDA was very disappointing, which triggered long liquidation in soy.

#### CBOT Soy oil futures as 27.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Oct	22.67	22.63	22.63	22.03	-0.58	22.09
5-Dec	22.94	22.80	22.84	22.24	-0.66	22.28
6-Jan	23.14	22.98	22.46	22.44	-0.65	22.49
6-Mar	23.31	23.15	22.60	22.60	-0.67	22.69

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Market

South America ended lower on Tuesday. November South America soybeans settled 4.5 cents down at US\$ 6.43/bushel. There is no existing demand of soybean in the market while the bumper crop yield in US and increasing supply is applying pressure for selling at lower prices. Chinese soybean prices settled lower at Dalian Commodity Exchange. Even Chinese factor could not help checking fall in its prices. The market of soybean is bearish.

Dry weather in crucial stage of crop has been blamed for this decline. However, weather is still dry in Brazil, which may encourage some growers to hold their stock.

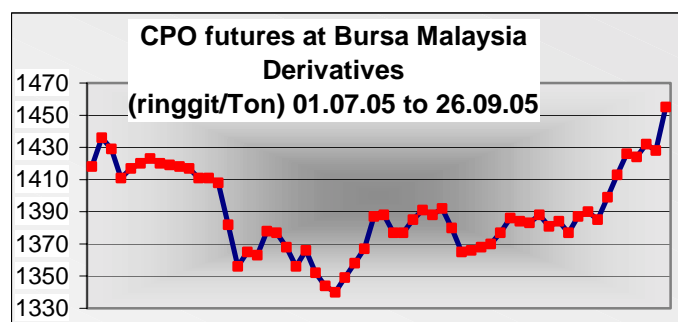
In news, production of India is expected to decline marginally to 5.75 million ton against last year production of 5.85 million ton.

#### KLCE CPO Futures Continue downwards:

Crude Palm Oil futures at Bursa Malaysia Derivatives (BMD) settled lower on declining demand in spot markets. Benchmark December future settled off MYR15 ringgit at MYR1443 per ton. Since, supply situation seems comfortable, buying turned low in spot markets. Reports of good weather situation in America weighed on values. Also, comments from a analyst in gathering at Malaysia on Wednesday had negative impact on the values. Renowned researcher sees Malaysian CPO to plunge to MYR1365/ton by November.

#### KLCE CPO Futures (28.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close
Oct '05	1445	1443	1451	1430	-15	1430
Nov '05	1454	1449	1454	1437	-14	1440
Dec '05	1458	1449	1462	1440	-16	1442



### Domestic:

#### Palm oil

Palm oil prices appreciated partially on the diminutive demand for festivals ahead. However, rumours of government's intentions to raise duty on CPO (high FFA) seem fading as of now. Weak advises from overseas markets also weighed on values.

FOB prices of CPO (Oct) were quoted at \$ 375 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 Thursady.

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

Centres	28.09.05	27.09.05	Change
Kandla CPO (5 % FFA)	324	323	+1
Mumbai CPO (5% FFA)	-	325	-
Kandla RBD Palmolein	354	352	+2
Mumbai RBD Palmolein	362	362	0
Chennai RBD Palmolein	354	354	0
Kakinada RBD Palmolein	354	353	+1

#### Soy oil

Talks of good harvest in major producing countries wiped out speculative buying interest from the market. Also, harvest of domestic crop has been started in some areas. So, bulls find no reason to play in dominion. India is expected to harvest 5.75 million ton of soybean this year.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 326 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$508- 510 per tonne.

The market is expected to open range bound continue positive as the day progresses on Wednesday amidst increased buying.

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

Centres	28.09.05	27.09.05	Change
Mumbai (Soy ref)	345	346	-1
Indore (Soy Ref oil)	360	360	0
Indore (Soy Solvent Ex. oil)	339	338	+1
Kota (Soy Ref. Oil)	356	357	-1
Jaipur (Soy Ref. Oil)	365	364	+1

**NBOT Soy oil futures as on 28.09.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	364.8	363.8	364.8	363.4	-1.30	363.5	25980
Nov '05	365.9	364.5	365.0	363.5	-2.30	363.6	15930
Dec '05	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**NCDEX Soy oil futures as on 27.09.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	365.15	363.50	366.85	363.50	365.65	8120	21220
Nov '05	365.05	364.90	367.50	364.10	365.95	9620	25880
Dec '05	365.15	364.05	375.40	364.05	366.60	3070	3200

**Rape oil**

Rapeoil markets continued to see the sluggish trend. According to traders, average monthly consumption of mustard oil has declined significantly resulting in accrual of heavy stock of mustard seed and oil. According to unofficial sources, average monthly consumption of rapeoil has declined to 3 lakh ton against earlier consumption trend of 5 lakh ton. According to traders, government agencies have possession of 21 lakh ton, while farmers, traders and stockists collectively are holding around 15 lakh ton. So, traders rule out possibility of upturn in its prices in near term.

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

Centres	28.09.05	27.09.05	Change
Mumbai (Rape Expeller Oil)	393	393	0
Kota (Rape Expeller Oil)	375	375	0
Jaipur (Rape Expeller Oil)	382	372	+10
Neewai (Kacchi Ghani Rape Oil)	395	-	-
Delhi (Rape Expeller Oil)	397	397	0

**Groundnut oil**

Harvest of groundnut continued in Karnataka incessantly. Harvest in Gujarat is to start with in a week or so, while harvest in Andhra Pradesh will commence within a fortnight. Traders are expecting crop this season in Gujarat alone to reach at around 22 lakh ton. Festivals demand may render momentary boost in its prices. Traders however are not very bullish. Availability of other oil at gar more competitive prices may limit upward momentum.

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

Centres	28.09.05	27.09.05	Change
Mumbai (Excluding VAT)	498	498	0
Rajkot	522	520	+2
Andhra Region	500	500	0
Chennai	465	-	-

**LATEST WEATHER WATCH (27.09.2005)****Weather Forecast**

During last 24 hours, scattered light to moderate rainfall has occurred over Andaman & Nicobar Islands, northeastern States and coastal areas of Orissa, Andhra Pradesh & Tamil Nadu.

Chief amounts of rainfall (in cm. ) during past 24 hours are: Karaikal-8, Gopalpur-4 and Nellore-3.

The upper air cyclonic circulation over Saurashtra & Kutch and adjoining southeast Pakistan now lies over Saurashtra and adjoining southeast Arabian Sea extending between 1.5 and 3.6 km a.s.l.

The cyclonic circulation over north Bay of Bengal persists and now extends upto mid-tropospheric levels. Under its influence scattered rainfall activity is likely over coastal area of Gangetic West Bengal, Orissa and Andhra Pradesh.

**Forecast valid 0830 hours IST of 1<sup>st</sup> October, 2005**

**NORTH:** Isolated rain/thundershowers likely over Uttaranchal and Himachal Pradesh. Mainly dry weather is likely in the rest region.

**EAST:** Rain/thundershowers likely at a few places over northeastern States, Sub-Himalayan West Bengal & Sikkim and coastal Orissa and isolated in the rest region outside Bihar, East Madhya Pradesh and north Chhattisgarh where weather may be mainly dry. Slight increase in rainfall over Gangetic West Bengal and Orissa after 24 hrs.

**SOUTH:** Rain/thundershowers likely at many places over Andaman & Nicobar Islands; at a few places over Coastal Andhra Pradesh and Tamil Nadu and isolated in the rest region outside Telangana where weather may be mainly dry. Increase in rainfall likely over south peninsula after 24 hours.

**WEST:** Isolated rain/thundershowers likely over Konkan & Goa and Saurashtra. Mainly dry weather is likely in the rest region.

**Warning**

isolated heavy rainfall likely over coastal Orissa and Coastal Andhra Pradesh during next 36-72 hours.

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

A low pressure area may form over westcentral Bay of Bengal which may increase the rainfall activity along the east coast.

**PORT-WATCH (Latest)**

'Stlot Guardian' has berthed at Kolkata Port and continues to discharge 21,000 MT of SBO. JM Baxi agents is handling the vessel. Kolkata Port is receiving 6,000 MT of CPO from the vessel 'MMM Houston'. The vessel is being handled by Seaport agents. 'MMM Jackson' is expected at the port to discharge 6,000 MT of CPO. Seaport agents will be 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. The port is expecting 'Azteca' from USA to discharge 5,650 MT of SBO. JM Baxi agents will be handling the vessel. 'Storm' from Argentina is expected at the port to deliver 22,750 MT of SBO. The vessel will be 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.

'Eatern Amenity' is expected at Mumbai Port and to discharge 8,520 MT of palm oil. GAC agents will be handling the vessel.

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

**Forex Rates (As on 28.09.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.06
Malaysia	Ringgit	11.69
European Union	Euro	52.94
United Kingdom	GBP	77.75
Japan	100 Yen	38.95

**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Azteca	5650	SBO	Expected
	Spring Wind	4750	SBO	Arrived
	Global Eos	5500	CPO	Arrived
	Bryggen	8000	SBO	Expected
Kolkata	MMM Houston	6000	CPO	Arrived

	MMM Jackson	6000	CPO	Expected
Mumbai	Eastern Amenity	8520	Palm oil	Expected
JN	Storm	22750	SBO	Expected
Cochin	Cheras	5890	Palm oil	Arrived
Chennai	Ace I	6000	CPO	Expected
New Mangalore	Bumik	6500	CPO	Arrived
Kakinada	Istana 6	6000	CPO	Arrived
Tuticorin	Khadijah	6300	Palm oil	Expected

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