

## VEGOIL

29<sup>th</sup> October 2005

### MAJOR ACTIVITY HIGHLIGHTS

- BMD Crude Palm Oil Future ..
- CBOT Soyoil Futures Settled Down

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX October Contract

#### Technical Analysis for November Contract:

1. The MACD continues to head down below its signal line indicating medium term weakness.
2. The stochastic oscillator is in oversold region, but the %K-line after cutting %D-line from below moving upwards, indicating short-term uptrend.
3. Prices are far below the 9-day and 18-day EMA, which is indication of medium term weakness.
4. Candlestick pattern shows a moderately bullish pattern and firm opening.

**Market advice:** As the prices are likely to open firm and remain bullish, its better to remain long for short-term profit booking.

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	356.6	355.8	357.6	358.3

#### 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 Soy Future Settled down

November soy future settled lower at Chicago Board of Trade on Friday. November Soybeans future settled lower 6 cents at \$ 5.65 per bushel, 4.5 off the high and 1.75 up from the low and January Soybeans finished down 6 cents at \$ 5.775 per bushel, 6.5 cents off the high and 2 cents up from the low. December Soymeal settled lower \$1.7 at \$168.8 per tonnes, \$ 0.2 up from the low and \$ 1.7 off the high. December Soybean Oil Settled down 0.05 cent at 23.33 cents per pounds, 0.02 cent off the high and 0.19 cent up from the low. The export sales of American Soybean are low as compared with USDA projections. The harvesting of US soybean crop around 90 per cent is over. The favourable weather conditions for planting of soybean crop in South America may be a cause of low export demand of US soybean. The low energy prices may be another cause for lower prices of soy oil with concern of bio-diesel future. The January commodity fund selling was estimated 4500 contracts.

#### CBOT Soy oil futures as 28.10.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	23.38	23.25	23.35	23.14	23.33	-0.05
Jan'06	23.60	23.55	23.57	23.36	23.54	-0.06
Mar'06	23.80	23.75	23.75	23.57	23.73	-0.07
May'06	24.00	23.77	23.90	23.71	23.89	-0.11
Jul '06	24.17	24.00	24.05	23.90	24.05	-0.12
Aug'06	24.21	24.02	24.10	24.02	24.10	-0.11

CBOT remains closed on Saturday and Sunday.

#### South American Soy Future Settled Unchanged

November South American soybeans settled unchanged on the session yesterday at \$6.37 per bushel and trade volume was in 81 contracts. The soil condition will improve for the plantation of soybean crop in Brazil due to rain. It is expected to increase the production of South American soybean only due to favourable weather despite the low acreage, less use of fertilizers, fungicides. The high input cost, limited credit availability, financial constraint of producers and low prices of soybean is the major cause for reducing the acreage of soybean in Brazil. The traders' attention is shifting towards the South American soybean production from US Soybean market. The fund selling was 1500 for soybean contract and 1000 for soybean oil contract. Weekly export sales report of USDA was 842,000 tonnes, out of that 347,200 tonnes bought by China, it is more 41 per cent of total sales. China has imported 117,538 tonnes of soyoil in month of September and cumulative import is 1.255 million tonnes for 2005, which is declined by 38.5% from last year. On the other hand, China imported 340,894 tonnes of palm oil in September and

cumulative bought is 2.148 million tonnes for 2005, which is up by 23.9% from last year.

#### BMD Crude Palm Oil Future

BMD remains closed on Saturday and Sunday.

#### KLCE CPO Futures (28.10.2005)

							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1435	1435	1436	1432	1434	-1	145
Dec '05	1435	1433	1437	1431	1432	-3	344
Jan '06	1435	1433	1438	1430	1431	-4	812
Feb '06	1434	1433	1437	1430	1432	-2	220
Mar '06	1434	1435	1435	1435	1435	+1	10

BMD remains closed on Saturday and Sunday.

#### Palm Oil

The spot market prices are continued range bound. Palm oil prices remained range bound due to holiday on religious festivals. It is expected to go down the palm oil prices due to bumper harvesting of new crop of soybean and groundnut in major producing states. The soybean oil is the substitute of palm oil.

It is expected that prices of palm oil at spot market would open range bound.

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

Centres	29.10.05	28.10.05	Change
Kandla CPO (5 % FFA)	338	337	+1
Kandla RBD Palmolein	360	362	-2
Mumbai RBD Palmolein	368	370	-2
Chennai RBD Palmolein	380	380	0
Kakinada RBD Palmolein	373	372	+1

#### Soy oil

The prices of soy oil at domestic market marginally increased. Soybean oil prices are slightly increased only due to low arrival of soybean as compared with yesterday's arrival and bit of festival demand. There would not be arrival of soybean from tomorrow due to festival holiday and arrival of groundnut is already stopped for a week from today. The stockists will use their own stock during this period. The today's arrival of soybean was 3.00 lakh, 2.00 lakh, and 2.00 lakh quintal in Madhya Pradesh, Maharashtra, and Rajasthan respectively. November soy futures were higher at NCDEX and NBOT also. It is expected that the soybean oil prices would go down after completion of Diwali holiday due to bumper harvesting of soybean and groundnut crops in major producing states.

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 \$ 515 per tonne.

The market sentiment of soyoil is expected to open range bound.

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

Centres	29.10.05	28.10.05	Change
Mumbai (Soy ref)	362	361	+1
Indore (Soy Ref oil)	352	351	+1
Indore (Soy Solvent Ex. oil)	323	324	-1
Kota (Soy Ref. Oil)	360	355	+5
Jaipur (Soy Ref. Oil)	365	360	+5
Nagpur (Soy ref. Oil)	352	352	0

#### NBOT Soy oil futures as on 29.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Nov '05	355.00	355.30	357.10	355.00	356.50	+1.5	18480
Dec '05	359.10	359.30	362.40	359.20	360.90	+1.8	4650

#### NCDEX Soy oil futures as on 29.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	355.85	356.50	356.50	355.90	357.00	5460	19180
Dec 05	358.85	359.50	362.90	359.30	360.90	6270	21740

#### Rape/Mustard oil

The spot market price of mustard oil is slightly high. The arrival of groundnut would not be in Gujarat states for a week on the occasion of Diwali festivals. The stockist will use their stock during this period. The prices of mustard oil are high due to low supply of soybean and groundnut seed in the market. The sowing of mustard is going on in major producing states of mustard seeds.

The market sentiment of mustard oil is expected to open range bound.

#### Spot Market Price (Rs. per 10 kg)

Centres	29.10.05	28.10.05	Change
Mumbai (Rape Expeller Oil)	379	376	+3
Kota (Rape Expeller Oil)	370	371	-1
Jaipur (Rape Expeller Oil)	378	377	+1
Delhi (Rape Expeller Oil)	394	390	+4
Neewai (Kacchi Ghani Rape Oil)	383	382	+1

#### Groundnut oil

The groundnut oil prices at domestic market mildly down. According to local traders, there would not be arrival of groundnut for a week in Gujarat states due to religious festival. There is sufficient stock of groundnut seed and oil with stockists; they will use that stock during holiday period. There is low buying support only because the festival demands of edible oil is likely over. Gujarat is major producing state of groundnut.

The market sentiment of groundnut oil expected to open range bound.

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

Centres	29.10.05	28.10.05	Change
Mumbai	506	510	+4
Rajkot	490	490	0
Andhra Region	515	520	-5
Chennai	475	482	-7

#### LATEST WEATHER WATCH (29.10.2005)

##### Weather Forecast

The deep depression over south Coastal Andhra Pradesh near Ongole weakened into depression over the same area at 1730 hours IST of 28.10.2005. This system continues to remain practically stationary and now lay centred at 0830 hrs IST of 29.10.2005 about 50 km west of Ongole. It is likely to move very slowly in a west-northwesterly direction and weaken gradually. Under its influence, fairly widespread rains with isolated heavy to very heavy falls likely over Andhra Pradesh during next 24 hours and is likely to decrease significantly thereafter.

##### Forecast valid for next 72 hours

**NORTH:** Mainly dry weather is likely over the region.

**EAST:** Rain/thundershowers likely at many places over coastal Orissa; at a few places over rest Orissa, coastal West Bengal and south Chhattisgarh and isolated in the rest region outside Bihar, Jharkhand, and East Madhya Pradesh where weather may be mainly dry.

**SOUTH:** Rain/thundershowers likely at many places over Andhra Pradesh; at a few places over Andaman & Nicobar Islands and Interior Karnataka and isolated in the rest region. Rainfall over Andhra Pradesh is likely to decrease from 31st morning onwards.

**WEST:** Isolated rain/thundershowers likely over south Konkan & Goa, south Madhya Maharashtra, Marathwada and Vidarbha. Mainly dry weather likely in the rest region.

**Source:** IMD, GOI.

#### PORT-WATCH (Latest) :

'MMM Houston' has berthed at Kolkata Port and continues to discharge 6,000 MT of CPO. The vessel is being handled

by Seaport agents. Delivery of 6,000 MT of CPO is expected at Kolkata Port from the vessel 'MMM Galvestone'. Seaport agents will be handling the vessel.

Delivery of 12,000 MT of CPO is continuing at Kakinada Port from the vessel 'Thressa II'.

'Tirta Niaga I' is expected at Mundra Port to deliver 5,900 MT of palm oil. Taurus agents will be handling the vessel.

JN Port is expecting 'EW Harting' from Argentina to deliver 4,000 MT of SBO. Interocean agents will be handling the vessel.

New Mangalore Port is expecting 'Aprologue', 'Matina' and 'Bumik' to deliver 17,000 MT of SBO, 10,000 MT of SBO and 7,000 MT of CPO respectively.

Kandla Port is expecting 'Fair Rainbow' to discharge 16,000 MT of SBO. The cargo was loaded from Argentina. 'Marine Champion' from Indonesia is expected at the port to deliver 4,000 MT of CPO. These vessels will be handled by Interocean agents. Delivery of 4,500 MT of CPO is expected at the port from the vessel 'Nolowati'. The cargo was loaded from Belawan. Atlantic agents will be handling the vessel. The port is expecting 'EW Harting' from Argentina to discharge 14,000 MT of SBO. The vessel will be handled by Interocean agents.

Mumbai Port is expecting 'Marine Champion' from Indonesia to deliver 5,520 MT of palm oil. Interocean agents will be handling the vessel. 'Nolowati' from Belawan is expected at the port to discharge 5,000 MT of palm oil. Atlantic agents will be handling the vessel.

#### Forex Rates (As on 29.10.2005)

Country/Continent	Currency	Value in Rupees
USA	Dollar	45.09
Malaysia	Ringgit	11.88
European Union	Euro	54.82
United Kingdom	Pound Sterling	80.46
Japan	100 Yen	39.11

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	MMM Galvestone	6000	CPO	Expected
	MMM Houston	6000	CPO	Arrived
Kandla	Pacific Sound	12750	CPO	Expected
	Fair rainbow	16000	SBO	Expecting
	EW Harting	14000	SBO	Expected
JN	Florida	11000	SBO	Expected
	EW Harting	4000	SBO	Expected
Tuticorin	Mega Crown No.1	1850	Palm oil	Expected
Mumbai	Pacific Sound	1000	Palm oil	Expected
	Marine Champion	5520	Palm oil	Expected
	Nolowati	5000	Palm oil	Expected
Mundra	Gemini	16686	CPO	Arrived
	Tirta Niaga I	5900	Palm oil	Expected
Kakinada	Fair Rainbow	16000	SBO	Expected
	Thressa II	12000	CPO	Arrived
	Marine Champion	4000	CPO	Expected
Chennai	EW Harting	4000	SBO	Expected
New mangalore	Aprologue	17000	SBO	Expected
	Matina	10000	SBO	Expected
	Bumik	7000	CPO	Expected

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