

## VEGOIL

24<sup>th</sup> October 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Settle Down
- Soyoil Futures . . .

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX October Contract

#### Technical Analysis for November Contract:

1. The MACD is looking weak for the medium term after making a bearish crossover of its signal line.

2. The stochastic oscillator is now in oversold territory and %K is below %D line. Short term outlook is bearish.

3. The 9-day and 18-day EMA patterns indicate further bearishness.

Prices could not stay above even the medium term support trendline at 361 levels (Nov. contract). The next logical support is at the longer term support line at 352 levels (Nov).

**Market advice:** It is better to remain short. Keep tight stop losses.

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	356.7	355.3	360.8	362.6

#### 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 oil futures as 21.10.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	23.98	23.55	24.47	23.35	23.48	-0.50
Jan'06	24.26	23.82	24.71	23.62	23.70	-0.56
Mar'06	24.45	24.08	24.08	23.80	23.90	-0.55
May'06	24.60	24.25	24.25	24.00	24.08	-0.52

CBOT remains closed on Saturday and Sunday.

#### BMD Crude Palm Oil Futures Settle down

Crude palm oil futures on the Bursa Malaysia Derivatives settled down on Monday. The benchmark January contract closed at MYR 1410 per metric tonnes. It was down MYR8 from Friday after moving between MYR1407 and MYR1415. CPO future on BMD opened at lower price may due to low soyoil future at Chicago Board of Trade on Friday. Trading volume was low, total volume was in 3,457 lots as compared to 5,596 lots on Friday and open interest was totaled 25,559 lots compared with 26,060 lots. Usually, during the busier days around 5000-6000 lots are trading takes place. The low prices of palm oil could be due to Weak energy prices from last two weak in international market. The market sentiment of cash palm oil market was low.

#### KLCE CPO Futures (24.10.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1416	1412	1412	1406	1410	-6	32
Dec '05	1418	1411	1413	1407	1408	-10	1019
Jan '06	1418	1411	1415	1407	1410	-8	2173
Feb '05	1417	1410	1415	1408	1409	-8	193
Mar '06	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

BMD remains closed on Saturday and Sunday.

#### Palm Oil

The spot market prices are remained range bound. Prices of palm oil are slightly low due harvesting and crushing of groundnut and soybean started in the major producing states. The more supply is an important cause to decline the edible oil prices. CPO future on BMD opened at lower price may due to low soyoil future at Chicago Board of Trade on Friday. Trading volume was low, total volume was in 3,457 lots as compared to 5,596 lots on Friday and open interest was totalled 25,559 lots compared with 26,060 lots. Usually, during the busier days around 5000-6000 lots are trading takes place. The low prices of palm oil could be due to Weak energy prices from last two weak in international market.

FOB prices of CPO (Nov) were quoted at \$ 367 per tonne and RBD Palmolein at \$ 402.50 per tonne.

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

#### Palm oil - Spot Market Price

(Rs. per 10 kg)

Centres	24.10.05	22.10.05	Change
Kandla CPO (5 % FFA)	337	339	-2
Kandla RBD Palmolein	368	370	-2
Mumbai RBD Palmolein	372	375	-3
Chennai RBD Palmolein	380	380	0
Kakinada RBD Palmolein	375	377	-2

#### Revised tariff rate on 15.10.2005 by the GOI.

Unit: in US \$ /MT

Commodity	Revised tariff rate w.e.f. 15.10.05	Previous tariff rate	Difference (US \$)
CPO palm oil	426	402	24
Crude palmolein	438	418	20
RBD palm oil	436	420	16
RBD Palmolien	447	430	17
Crude soybean oil	518	508	10

#### Soy oil

The prices of soy oil at domestic market are continued towards downwards. The major factor for the declining prices of soy oil is the harvesting of new crop started in major producing states of soybean and the harvesting of groundnut is on peak in Gujarat states. The arrival of soybean in Madhya Pradesh, Maharashtra and Rajasthan is approximately 4, 1.5 and 1.00 lakh quintals respectively. The crushing of soybean and groundnut is also started. The more supply would be major factor for declining the prices of soyoil. There was low demand of soyoil in International market also. The prices of all vegetable oil were towards southwards in domestic market.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 335 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 517 per tonne.

The market sentiment of soyoil is expected to open bearish.

#### Soybean oil - Spot Market Price

(Rs. per 10 kg)

Centres	24.10.05	22.10.05	Change
Mumbai (Soy ref	363	365	-2
Indore (Soy Ref oil)	350	357	-7
Indore (Soy Solvent Ex. oil)	323	335	-12
Kota (Soy Ref. Oil)	362	364	-2
Jaipur (Soy Ref. Oil)	365	368	-3
Nagpur (Soy ref. Oil)	357	361	-4

**NBOT Soy oil futures as on 24.10.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Nov '05	361.70	359.00	359.40	356.60	357.60	-4.1	29400
Dec '05	364.80	361.50	362.60	359.70	360.60	-4.2	4580

**NCDEX Soy oil futures as on 24.10.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	362.00	361.75	364.00	361.75	363.15	1560	9010
Dec 05	365.15	365.65	367.45	365.30	366.00	13140	25010

**Rape/Mustard oil**

The spot market price of mustard oil is continued towards downwards due to bumper harvesting of groundnut and soybean in major producing states. The harvesting of groundnut in Gujarat is on peak and crushing is picking up day by day. The prices of mustard oil are declining due to more arrival of soybean and groundnut in the domestic market. These are the substitute of each other. It is easy to switch towards the other edible oil due to availability of the substitute oil in the market at reasonable rate.

The market sentiment of mustard oil is expected to bearish.

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

Centres	24.10.05	22.10.05	Change
Mumbai (Rape Expeller Oil)	376	378	-2
Kota (Rape Expeller Oil)	370	370	0
Jaipur (Rape Expeller Oil)	380	381	-1
Delhi (Rape Expeller Oil)	385	400	-5
Neewai (Kacchi Ghani Rape Oil)	386	388	-2

**Groundnut oil**

The spot market price of groundnut oil is continued towards downwards. The supply of groundnut seeds as well as crushing of groundnut is picking up day by day. The sharp fall of groundnut prices in domestic market are due to peak harvesting and crushing in Gujarat states. There is no doubt Gujarat is the major producing states of the groundnut. The arrival of groundnut was around 33000 bags in Rajkot only and total arrival of groundnut in Gujarat state was around 1.75 lakh bags (1 Bags=35 Kg). The harvesting in Andhra Pradesh is expected to start from 1<sup>st</sup> week of November. The more supply of groundnut will bring negative impact on prices. It is expected that the prices of groundnut oil will continue towards southwards.

The market sentiment of groundnut oil is expected to bearish.

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

Centres	24.10.05	22.10.05	Change
Mumbai	518	520	-2
Rajkot	495	505	-10
Andhra Region	515	525	-10

Chennai	480	490	-10
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**LATEST WEATHER WATCH (24.10.2005)****Weather Forecast**

A fresh upper air cyclonic circulation extending upto 3.6 km a.s.l. has formed over southwest Bay of Bengal. Under its influence, A low pressure area is likely to develop which may cause an active wet spell with heavy to very heavy falls over south Peninsula during next 2-3 days. Subsequently the rainfall is likely to extend along the east coast of India.

Yesterday's trough extending from north Coastal Andhra Pradesh to Sub-Himalayan West Bengal & Sikkim in lower tropospheric levels has become less marked. The trough in the middle troposphere has moved away eastwards. The rainfall over Northeastern States, West Bengal & Sikkim and Orissa has decreased during past 24 hours.

Yesterday's upper air cyclonic circulation over Tamil Nadu and neighbourhood extending upto 4.5 km a.s.l. moved westwards and now lies over eastcentral Arabian Sea extending in the middle tropospheric levels

A feeble western disturbance as an upper air system lies over North Pakistan and neighbourhood. It may cause scattered light to moderate rain/snow over Jammu & Kashmir during next 2-3 days.

**Forecast valid for next 72 hours**

**NORTH :** Scattered light to moderate rain/snow likely over Jammu & Kashmir. Mainly dry weather likely in the rest region.

**EAST :** Rain/thundershowers likely at many places over northeastern states, coastal areas of West Bengal & Sikkim & Orissa and south Chhattisgarh and at isolated places in the rest region outside East Madhya Pradesh where weather will be mainly dry.

**SOUTH :** Rain/thundershowers likely at most places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry and Kerala; at many places over South Interior Karnataka, coastal Andhra Pradesh, Rayalaseema and Lakshadweep and at a few places over the rest region.

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

**Heavy Rainfall Warning**

Heavy to very heavy rainfall is likely at a few places over Andaman & Nicobar Islands, Lakshadweep, Kerala, Tamil Nadu & Pondicherry. Isolated heavy rainfall also likely over Coastal Andhra Pradesh, South Interior Karnataka and Rayalaseema.

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

1. The ongoing enhanced rainfall activity over south peninsula may continue and increase along the east coast.
2. Improvement in weather conditions over Jammu & Kashmir.

Source: IMD, GOI.

## PORT-WATCH (Latest) :

Mumbai Port is receiving 16,501 MT of palm oil from the vessel 'Shimakaze'. Interocean agents is handling the vessel.

'Khadijah' has berthed at Kolkata Port and continues to discharge 6,249 MT of CPO. The vessel is being handled by Alap agents. Delivery of 6,000 MT of CPO is expected at Kolkata Port from the vessel 'MMM Galvestone'.

Delivery of 7,100 MT of palm oil is continuing from the vessel 'Global Saturn' at Tuticorin Port. St.John agents is handling the vessel.

Kakinada Port is receiving 6,900 MT and 7,000 of CPO respectively from the vessels 'L Star' and 'Spring Wind'.

Delivery of 16,686 MT of CPO is expected at Mundra Port from the vessel 'Gemini'. Taurus agents will be handling the vessel.

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Khadija	6249	CPO	Arrived
	MMM Galvestone	6000	CPO	Expected
Kandla	Pacific Sound	12750	CPO	Expected

JN	Florida	11000	SBO	Expected
Tuticorin	Mega Crown No.1	1850	Palm oil	Expected
	Global Saturn	7100	Palm oil	Arrived
Mumbai	Pacific Sound	1000	Palm oil	Expected
	Shimakaze	16501	Palm oil	Arrived
Mundra	Gemini	16686	CPO	Expected
Kakinada	L Star	6900	CPO	Arrived
	Spring Wind	7000	CPO	Arrived

### Forex Rates

(As on 24.10.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.14
Malaysia	Ringgit	11.95
European Union	Euro	53.94
United Kingdom	Pound Sterling	79.73
Japan	100 Yen	39.05

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