

## VEGOIL

31<sup>st</sup> October 2005

### MAJOR ACTIVITY HIGHLIGHTS

- BMD Crude Palm Oil Futures Settle Higher

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX October Contract

#### Technical Analysis for November Contract:

- The MACD started moving upwards, sign of strength in the market prices.
- The stochastic oscillator is in oversold region, but the %K-line after cutting %D-line from below moving upwards, indicating bullish sentiment in the prices.
- The 3-day EMA prices moving up wards and going to touch 7-day EMA, which is indication short-term strength.
- Candlestick pattern shows a moderately bullish pattern and firm opening.

**Market advice:** As the prices are likely to open firm and continued slightly bullish, it's better to remain long position for short-term profit.

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	357.2	356.4	359.2	360.3

#### 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 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.

#### BMD Crude Palm oil Futures Settle Higher

Crude Palm oil futures at Bursa Malaysia Derivatives settled higher following late short covering. However, trading remained slow ahead of long holidays. Benchmark January future settled up MYR14 at MYR1445 per ton. Friendly export report helped improving sentiments. Market missed Indian news of duty hike, which came after closure of the market. Indian government raised the tariff value from \$2-8 per ton on import of palm oil and its products, while government cut tariff value on crude soyoil by \$5 per ton giving slight edge to the later. Soy and palm are considered traditional rival. Malaysian export figure were up on month basis. Cargo Surveyor SGS estimated the MPO export during October at 1.24 million ton, up 2.5% compared to its export last month.

#### KLCE CPO Futures (31.10.2005)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1434	1434	1446	1434	1445	+11	308
Dec '05	1432	1431	1445	1431	1445	+13	319
Jan '06	1431	1433	1446	1431	1445	+14	1590
Feb '06	1432	1431	1445	1431	1445	+13	312
Mar '06	1432	1440	1440	1440	1440	+8	2

BMD remains closed on Saturday and Sunday.

#### Palm Oil

The spot market prices are marginally higher. Indian government raised the tariff value from \$2-8 per ton on import of palm oil and its products, while government cut tariff value on crude soyoil by \$5 per ton. Soy and palm are considered traditional rival. KLCE was sharply increased at the end of the day.

FOB prices of CPO (Nov) were quoted at \$ 372.5 per tonne and RBD Palmolein at \$ 407.50 per tonne.

It is expected that palm oil prices may slightly bullish due to hike of base import of palm oil.

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

Centres	31.10.05	29.10.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	370	368	+2
Chennai RBD Palmolein	380	380	0
Kakinada RBD Palmolein	376	373	+3

#### Revised tariff rate on 31.10.2005 by the GOI.

Unit:: US \$ / Metric

Tonnes

Commodity	Revised tariff rate w.e.f. 31.10.05	Previous tariff rate	Difference (US \$/ MT)
CPO palm oil	434	426	+8
Crude palmolein	443	438	+5
RBD palm oil	439	436	+3
RBD Palmolien	449	447	+2
Crude soybean oil	513	518	-5

The above table shows that the base import price of crude palm oil raised to \$434/ton from \$426/ton, refined, bleached and deodorized (RBD) palm oil to \$439/ton from \$436/ton, and that of RBD palm olein to \$449/ton from \$447/ton. For crude palm olein, the base import price has been raised to \$443/ton from \$438/ton. On the other hand, the base import price of crude soy oil has been cut to \$513/ton from \$518/ton.

#### Soy oil

Soybean oil prices at spot market are marginally increased only because markets of soybean arrival are closed for 5 days on the occasion of Diwali. Arrival of groundnut is already stopped for a week in Gujarat. The stockists will use their own stock during this period. Soy future prices were high at NBOT and NCDEX. It is expected that the soybean oil prices would go down after completion of Diwali festival due to bumper harvesting of soybean and groundnut crops in major producing states. The more arrival of Soybean and reduction on crude soyoil import prices of \$5 per ton will bring a negative impact on its prices.

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 \$ 514per tonne. The market sentiment of soyoil is expected to open range bound.

**Soybean oil - Spot Market Price**

(Rs. per 10 kg)

Centres	31.10.05	29.10.05	Change
Mumbai (Soy ref.)	363	362	+1
Indore (Soy Ref oil)	353	352	+1
Indore (Soy Solvent Ex. oil)	324	323	+1
Kota (Soy Ref. Oil)	360	360	0
Jaipur (Soy Ref. Oil)	365	365	0
Nagpur (Soy ref. Oil)	355	352	+3

**NBOT Soy oil futures as on 31.10.2005**

(Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Nov 05	356.50	356.30	358.70	N.A.	357.80	+1.3	9830
Dec 05	360.10	359.30	363.20	359.20	362.80	+3.7	3120

**NCDEX Soy oil futures as on 31.10.2005**

(Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	357.00	357.20	359.40	356.65	358.20	5234	18940
Dec 05	360.90	361.00	365.35	364.0	365.5	1052	23420

**Rape/Mustard oil**

The spot market price of mustard oil remained slightly high. The arrival of groundnut would not be in Gujarat states for a week on the occasion of Diwali festival. 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 palm oil future prices were settled high at the end of the day on KLCE, Malaysia.

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

**Spot Market Price**

(Rs. per 10 kg)

Centres	31.10.05	29.10.05	Change
Mumbai (Rape Expeller Oil)	380	379	+1
Kota (Rape Expeller Oil)	372	370	+2
Jaipur (Rape Expeller Oil)	382	378	+4
Delhi (Rape Expeller Oil)	395	394	+1
Neewai (Kacchi Ghani Rape Oil)	385	383	+2

**Groundnut oil**

The groundnut oil prices at domestic market range bound. According to local traders of Chennai market, palm oil prices were down due to low buying support from consumer side and more availability of groundnut and other edible oil in the market. On the other hand, the prices are range

bound because the arrival of ground would not take place for a week. The supply The supply markets are closed for for a week in Gujarat. The traders will use their own stock during this week.

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

**Groundnut oil - Spot Market Price**

(Rs. per 10 kg)

Centres	31.10.05	29.10.05	Change
Mumbai	505	506	-1
Rajkot	490	490	0
Andhra Region	520	515	+5
Chennai	470	475	-5

**LATEST WEATHER WATCH (31.10.2005)****Weather Forecast**

Yesterday's feeble low pressure area over south Coastal Andhra Pradesh and neighbourhood has become less marked. However, the associated upper air cyclonic circulation persists and extends upto 3.1 km a.s.l. Under its influence, scattered rainfall is likely over south Peninsula.

An upper air cyclonic circulation extending upto 0.9 km a.s.l. lies over Central Pakistan.

**Forecast valid for next 72 hours**

**NORTH:** Isolated rain/snow likely over higher reaches of Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Mainly dry weather is likely over rest of the region.

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

**SOUTH :** Rain/thundershowers likely at a few places in the region outside Lakshadweep where it may be isolated.

**WEST :** Mainly dry weather likely in the region.

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

Light to moderate rain/thundershowers likely to continue over south Peninsula.

**Source:** IMD, GOI.

**PORT-WATCH (Latest) :**

Kandla Port is receiving 16,000 MT of SBO from the vessel 'Fair Rainbow'. Th'e cargo was loaded from Argentina. The vessel is being handled by Interocean agents. 'Marine Champion' from Indonesia is expected at the port to deliver 4,000 MT of CPO. The 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.

'MMM Galvestone' has berthed at Kolkata Port and continues to discharge 6,000 MT of CPO. The vessel is being handled by Seaport agents. Delivery of 3,800 MT of CPO is continuing at Kolkata Port from the vessel 'Belicia'. GAC agents is carrying the vessel. 'Megacrown' is expected at the port to deliver 2,000 MT of CPO. The port is expecting 'Padang Halaban' and 'Ocean Ace' to discharge 6,000 MT of CPO each.

JN Port is receiving 4,000 MT of SBO from the vessel 'EW Harting'. The cargo was loaded from Argentina. Interocean agents is handling the vessel.

New Mangalore Port is receiving 7,000 MT of sunflower oil and 10,000 MT of SBO from the vessels 'A Prologue' and 'Matina' respectively. The cargo was loaded from Argentina. 'Bumik' is expected at the port to deliver 7,000 MT of CPO.

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. After the delivery of CPO, the same vessel will be carrying 5,000 MT of palm oil from the port.

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.

Delivery of 8,000 MT of palm oil is expected at Chennai Port from the vessel 'Filma Satu'. Seaport agents will be handling the vessel.

#### Forex Rates (As on 31.10.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.11
Malaysia	Ringgit	11.94
European Union	Euro	54.43
United Kingdom	Pound Sterling	80.09
Japan	100 Yen	39.01

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	MMM Galvestone	6000	CPO	Arrived
	Belicia	3800	CPO	Arrived
	Megacrown	2000	CPO	Expected
	Padang Halaban	6000	CPO	Expected
	Ocean Ace	6000	CPO	Expected
Kandla	Pacific Sound	12750	CPO	Expected
	Fair rainbow	16000	SBO	Arrived
	EW Harting	14000	SBO	Expected
	Marine Champion	4000	CPO	Expected
	Nolowati	4500	CPO	Expected
JN	Florida	11000	SBO	Expected
	EW Harting	4000	SBO	Arrived
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	Tirta Niaga I	5000	CPO	Expected
	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
	EW Harting	8000	Palm Oil	Expected
New mangalore	Aprologue	17000	SBO	Expected
	Aprologue	7000	Sunflower Oil	Arrived
	Matina	10000	SBO	Arrived
	Bumik	7000	CPO	Expected

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