

## VEGOIL

November 07, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Lower
- CBOT Soy Futures Settle Lower

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX October Contract

#### Technical Analysis for November Contract:

1. The MACD has made a bearish crossover of its signal line indicating some more weakness.
2. The stochastic has fallen into oversold territory and the %K line is below the %D line indicating short term weakness.
3. It appears that prices will continue to fall gradually.

**Market Advice:** Stay away or remain short for the near term. Sideways to slightly downward movement in prices is likely.

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	348.58	347.47	351.78	353.87

#### 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 remain closed on Saturday and Sunday.

#### CBOT Soy oil futures as 03.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	23.53	23.36	23.45	22.86	22.94	-0.59
Jan'06	23.79	23.60	23.65	23.10	23.17	-0.62
Mar'06	24.01	23.85	23.86	23.30	23.44	-0.57
May'06	24.22	23.95	24.00	23.50	23.59	-0.63
Jul '06	24.35	24.15	24.15	23.71	23.78	-0.57
Aug'06	24.35	-	-	-	23.83	-0.52

CBOT remains closed on Saturday and Sunday.

#### BMD CPO Futures (07.11.2005)

(Ringgit/ton)							
Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1441	1436	1436	1435	1435	-6	16
Dec '05	1441	1438	1438	1431	1434	-7	491
Jan '06	1440	1442	1442	1429	1432	-8	1330
Feb '06	1440	1435	1435	1429	1431	-9	366

BMD remains closed on Saturday and Sunday.

### Palm Oil

Palm oil prices at domestic market range bound. Trading in palm oil markets were continued lower at international market. Production of palm oil starts dropping from the month of November in origin countries, but still they have efficient stock of palm oil. Palm oil and soybean oil is the substitute of each other. Burdensome supply of soy has been blamed for lack of enthusiasm in palm oil markets, despite of approaching period of seasonal decline.

FOB prices of CPO (Nov) were last quoted at \$ 370 per tonne and RBD Palmolein at \$ 407.5 per tonne.

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

Centres	07.11.05	05.11.05	Change
Kandla CPO (5 % FFA)	338	340	-2
Kandla RBD Palmolein	361	361	0
Mumbai RBD Palmolein	373	373	0
Chennai RBD Palmolein	383	380	+3
Kakinada RBD Palmolein	380	378	+2

#### 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

Soy oil prices at spot market are continued towards downtrends. Demand of soy oil for festival season is over. Harvesting of soybean is on peak. Arrival of soybean started in the market from today, earlier it was closed due to Diwali festival. The arrivals of soybean were 4 lakh bags, 2.5 lakh bags and 2.5 lakh bags (1bag=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. Soy oil prices at domestic market are declining only due to bumper harvesting of soybean crop and crushing of soybean in major producing states of India. International market of soybean is also bearish. November Soy oil future intra-day prices at NBOT as well as NCDEX were sharply declined at end of the day. The USDA is scheduled to release its monthly crop estimates report on November 10.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 335 per 10 kg. CNF prices for soy degum (November Shipment) at Kandla were quoted at \$ 510 per tonne.

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

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

Centres	07.11.05	05.11.05	Change
Mumbai (Soy ref.)	363	365	-2
Indore (Soy Ref oil)	349	351	-2
Indore (Soy Solvent Ex. oil)	326	326	0
Kota (Soy Ref. Oil)	358	358	0
Jaipur (Soy Ref. Oil)	362	362	0
Nagpur (Soy ref. Oil)	349	352	-3

**NBOT Soy oil futures as on 07.11.2005** (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Nov 05	352.50	350.80	351.10	347.80	347.80	-4.7	22080
Dec 05	357.50	356.00	356.20	354.30	354.60	-2.9	16350

**NCDEX Soy oil futures as on 07.11.2005** (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	354.10	352.55	352.75	349.55	349.70	6360	16990
Dec'05	358.15	357.00	357.00	354.55	354.85	8700	22700

**Rape/Mustard oil**

Mustard oil prices at spot market is continue to decline. It is only because the harvesting of soybean and groundnut in in progress in major producing states of India and another reason is that the festive demand of edible oil is over. Sowing of rapeseed has started. However, farmers are least interested in this crop. Farmers are not showing much interest towards the sowing of mustard only due to huge stock of mustard seeds with private traders and NAFED. It is expected to open bearish market of mustard oil.

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

Centres	07.11.05	05.11.05	Change
Mumbai (Rape Expeller Oil)	384	384	0
Kota (Rape Expeller Oil)	375	372	-3
Jaipur (Rape Expeller Oil)	378	381	-3
Delhi (Rape Expeller Oil)	392	395	-3
Neewai (Kacchi Ghani Rape Oil)	393	392	+1

**Groundnut oil**

Groundnut oil prices at domestic market are declined. Festive demand of groundnut oil is over. Groundnut oil prices are sharply fallen in Rajkot because the harvesting of groundnut is on peak in Gujarat. Gujarat is a major producing state of groundnut. Arrival of groundnut was closed for a week due to festival but arrival of groundnut is started from today inn Gujarat. Arrival of Groundnut was 40,000 bags only in Kota while there were 2 lakh bags (bags=35 kg) were in whole Gujarat. It is expected to decline the groundnut oil prices in Andhra region in next week because harvesting will start from next week there.

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

Centres	07.11.05	05.11.05	Change
Mumbai	495	496	+1
Rajkot	475	485	-10
Andhra Region	517	518	-1
Chennai	480	480	0

**LATEST WEATHER WATCH (07.11.2005)****Weather Forecast**

Under the influence of the well marked low pressure area over southwest Bay of Bengal, heavy to very heavy rainfall occurred at a few places over Coastal Tamil Nadu & Pondicherry during past 24 hrs. Moderate rainfall also occurred over Rayalaseema and Kerala. Chief amounts of rainfall (cms.): Karaikal-16, Nagapattinam-14, Chennai-13, Tambarm-11, Cuddalore & Thiruvanthapuram-5 each and Tirupati-4.

The well-marked low-pressure area over southwest Bay of Bengal persists. The associated upper air cyclonic circulation extends upto 5.8 km a.s.l. tilting southwestwards with height. Under its influence, widespread rains with heavy to very heavy falls likely to continue over coastal Tamil Nadu & Pondicherry for another 2-3 days. Scattered to fairly widespread rains with isolated heavy falls also likely over interior Tamil Nadu, south Coastal Andhra Pradesh and Kerala. Squally winds may also be experienced along and off Tamil Nadu coast during this period.

A feeble western disturbance lies over north Pakistan and adjoining north Jammu & Kashmir. It is likely to cause light to moderate rain/snow over Jammu & Kashmir during next 2-3 days. Another western disturbance is also approaching which is likely to increase rain/snowfall activity over the Western Himalayan region during 10<sup>th</sup> to 12<sup>th</sup> Nov.

**Forecast valid for next 72 hours**

**NORTH :** Weather will be mainly dry over the region. Isolated rain/snowfall is likely over Jammu & Kashmir.

**EAST :** Weather will be mainly dry over the region.

**SOUTH :** Rain/thundershowers likely at most places over coastal rest Tamil Nadu & Pondicherry; at many places over rest Tamil Nadu, south Coastal Andhra Pradesh and Kerala; at a few places over Rayalaseema and isolated over the rest region outside Telangana and North Interior Karnataka where weather will be mainly dry.

**WEST :** Weather will be mainly dry over the region.

**Warning**

Heavy to heavy rain is likely to occur over at a few places over coastal Tamil Nadu & Pondicherry and isolated over Interior Tamil Nadu, south Coastal Andhra Pradesh and Kerala during next 2-3 days.

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

1. Moderate rain/thundershowers with isolated heavy rainfall likely to continue over south Peninsula.
2. Rainfall/snowfall over Western Himalayan region may increase.

Source: IMD, GOI.

**PORT-WATCH (Latest) :**

'A Prologue' from Argentina has berthed at Kandla Port and continues to deliver 14,000 MT of SFO. The vessel is being handled by Interocean agents. Kandla Port is receiving 16,000 MT of SBO from the vessel 'Fair Rainbow'. The cargo was loaded from Argentina. The vessel is being 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. Delivery of 16,000 MT of palm oil is expected at the port from the vessel 'Isokaze'. The cargo was loaded from Indonesia. Interocean agents will be handling the vessel.

Delivery of 6,000 MT of palm oil is continuing at Chennai Port from the vessel 'Filma Satu'. Seaport agents is handling the vessel. 'Team Ace' has berthed at the port and continues to deliver 4,500 MT of CPO.

'MMM Jackson' has berthed at Kolkata Port and continues to discharge 6,000 MT of CPO. Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'Cheras'. '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.

'Bumik' has berthed at New Mangalore Port and is continuing to deliver 7,000 MT of CPO. New Mangalore Port is receiving 10,000 MT of SBO from the vessel 'Matina'. The cargo was loaded from Argentina.

Mumbai Port is expecting 'Marine Champion' from Indonesia to deliver 5,520 MT of palm oil. Interocean agents will be handling the vessel.

'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. The port is expecting 'Barents Wind' to discharge to deliver 8,800 MT of SBO. The vessel will be handled by Patvolk agents..

#### 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	4000	CPO	Expected

	Champion			
	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

#### Forex Rates

(As on 07.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.67
European Union	Euro	53.91
United Kingdom	Pound Sterling	79.92
Japan	100 Yen	38.74
Malaysia	Ringgit	12.15

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