

## VEGOIL

November 16, 2005

### MAJOR ACTIVITY HIGHLIGHTS

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

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD moving downward which indicates medium term weakness.
2. The stochastic has turned towards oversold region from neutral region moving downward. Indicating bearish trend.
3. Close below 9 days EMA and 18 days EMA is indicating short-term bearishness.

**Market Advice:** It is better to go short with tight stop losses.

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Dec'05	349.20	348.00	351.40	352.50

#### Abbreviations:

**MA** - Moving Average

**MACD** - Moving Average Convergence Divergence

**% K-Line & % D-Line** - Faster & Slower Lines of Stochastic Oscillators



## MARKET HIGHLIGHTS & FUNDAMENTAL ANALYSIS

### International:

#### CBOT Soy Futures Settle Lower

Soy future settled mildly lower at Chicago Board of Trade on Tuesday. January Soybeans closed down 2.75 cents at \$ 5.9225 per bushel, 8.75 cents off the high and 0.75 cents up from the low and March Soybeans settled lower 1.75 cents at \$ 5.9925/bushels, 0.50 cents up from the low and 7.50 cents off the high. December Soybean Oil settled low 0.17 cents at 22.34 cents/pounds, 0.28 cents off the high and 0.02 cents up from the low. More deliveries and low export demand may be cause to weakness in oil prices and another important factor for weak oil market is that the increased stocks by NOPA crush report and high yield estimation for soybean for South American Market.

#### CBOT Soy oil futures as 15.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	22.51	22.57	22.62	22.32	22.34	-0.17
Jan'06	22.71	22.80	22.83	22.52	22.53	-0.18
Mar'06	22.91	23.00	23.05	22.75	22.76	-0.15
May'06	23.13	23.23	23.25	23.00	23.00	-0.13
Jul '06	23.37	23.46	23.47	23.22	23.23	-0.14
Aug'06	23.43	23.55	23.55	23.33	23.33	-0.10

CBOT remains closed on Saturday and Sunday.

#### South American Soy Futures Settle Lower

South American soy future settled lower yesterday. March South American soybeans settled 6 cents lower at \$ 6.24 per bushel. There is low export demand of soybean and meal from China and Europe. Low export demand of soy meal due to widely spread of bird flu in China. There is dry weather in South America, which shows the favourable conditions for new crop of soybean planting. USDA revised low export forecast of soybean by 40 million bushels in last week's supply and demand report. Soybean oil content increased for new crop 19.4 percent from 18.6 percent. Soy oil stock in October also increased 1.495 billion pounds as compared with 1.374 million pounds at the end of September. These factors show bearish tone for soy future. High oil content in new crop of soybean and increased stock of soy oil may cause selling pressure in oil market.

#### BMD Crude Palm Oil Futures Settle Lower

Crude Palm oil futures at Bursa Malaysia Derivatives settled lower amidst rising concern over growing stocks. Benchmark January future settled off MYR 7 at MYR 1415 per ton. In news, Indian government cut tariff value marginally on palm oil and products. However, small cut in tariff value (\$1-4 per ton) by Indian government is unlikely to have much impact on its prices. Also, reports of

Malaysian government to use biodiesel blend in their vehicles from next year failed to put oomph in the markets. Bearing in mind the immediate stock situation, majority participants opted to go short.

#### BMD: CPO Futures (16.11.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1422	1420	1422	1412	1414	-8	291
Jan '06	1422	1418	1424	1410	1417	-5	1915
Feb '06	1422	1418	1423	1410	1415	-7	2764
Apr '06	1424	1420	1420	1410	1415	-9	447

BMD remains closed on Saturday and Sunday.

#### Revised tariff rate on 16.11.2005 by the GOI.

(Unit:: US \$ / Metric Tonnes)

Commodity	Revised tariff rate w.e.f. 16.11.05	Previous tariff rate	Difference (US \$/ MT)
CPO palm oil	433	434	- 1
Crude palmolein	440	443	- 3
RBD palm oil	435	439	- 4
RBD Palmolien	445	449	- 4
Crude soybean oil	510	513	- 3

#### Palm Oil

Palm oil prices at spot market remain range bound. Government of India revised lower Import base prices marginally on palm oil and palm products. However, small cut in tariff duty (\$1-4 per ton) by Indian government may bring negative impact on its prices. Also, reports of Malaysian government to use bio-diesel blend in their vehicles from next year failed to put oomph in the markets. Palm oil prices settled lower at the international markets.

FOB prices of CPO (December) were last quoted at \$ 372.50 per tonne and RBD Palmolein at \$ 402.50 per tonne.

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

Centres	16.11.05	15.11.05	Change
Kandla CPO (5 % FFA)	338	339	-1
Kandla RBD Palmolein	358	358	0
Mumbai RBD Palmolein	372	371	+1
Chennai RBD Palmolein	388	388	0
Kakinada RBD Palmolein	382	384	-2

#### Soy oil

Soy oil prices at spot market mildly declined. Arrival of Soybeans in Madhya Pradesh, Maharashtra and Rajasthan were 3.00 lakh, 2.00 lakh and 2.00 lakh respectively. According to traders, harvesting of soybean crop about 80 % is over in major producing states. During the oil season

2004-05 (November/October) the edible oil imports rise by 15% to 50.42 lakh tonnes when compared with 43.96 lakh tonnes of oil imported in previous season. Government of India revised low import tariff duty on crude soyoil to \$510/tonnes from \$513/tonnes.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 331 per 10 kg. CNF prices for soy degum (November Shipment) at Kandla were quoted at \$ 502 per tonne.

Market sentiment of soyoil expected range bound.

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

Centres	16.11.05	15.11.05	Change
Mumbai (Soy Ref oil)	362	363	-1
Indore (Soy Ref oil)	343	344	-1
Indore (Solvent Ex. oil)+VAT	320	320	0
Kota (Soy Ref. Oil)	350	Closed	-
Jaipur (Soy Ref. Oil)	353	Closed	-
Nagpur (Soy ref. Oil)	342	345	-3

#### NBOT Soy oil futures as on 16.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	350.9	350.8	350.8	348.7	349.7	-1.2	29530
Jan 05	356.1	354.8	354.8	353.3	353.8	-2.3	750

#### NCDEX Soy oil futures as on 16.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	345.95	345.00	345.00	343.60	343.65	2720	7840
Dec'05	352.30	351.05	351.40	349.20	350.30	9350	22970
Jan 06	357.65	356.10	357.30	354.15	354.70	2110	4140

#### Rape/Mustard oil

Domestic market of mustard oil prices range bound. Sowing of mustard area is over in most of the producing states. According to traders, acreage of mustard seeds is increased in Rajasthan this year. Total oil seeds production figure estimated higher this year as compared to previous year, despite of this India's import of edible increased this year by 15 % as compared to previous marketing year. Government of India revised lower import tariff duty on Palm oil and soybean oil (\$1-4 per tonne). The above-mentioned factors may bring negative impact on all edible oil prices in coming days.

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

Centres	16.11.05	15.11.05	Change
Mumbai (Rape Expeller Oil)	390	390	0
Kota (Rape Expeller Oil)	373	373	0
Jaipur (Rape Expeller Oil)	377	378	-1
Delhi (Rape Expeller Oil)	393	395	-2
Neewai (Kacchi Ghani Rape Oil)	386	387	-1

#### Groundnut oil

Ground nut oil prices remain declined due to harvesting in some parts of Andhra state is started and estimates for groundnut production total (shell) were revised higher at 51 lakh ton up against 44.5 lakh tonnes last year. Estimate for Gujarat states was put at 20 lakh ton as compared with last year harvest of 15 lakh ton. Harvesting of groundnut is done approximately 70-80% in Gujarat. Arrivals of groundnut in the Gujarat are likely to shrink in the coming days.

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

Centres	16.11.05	15.11.05	Change
Mumbai	462	468	-6
Rajkot	447	453	-6
Andhra Region	480	490	-10
Chennai	465	465	0

#### LATEST WEATHER WATCH (16.11.2005)

Clear sky and dry weather is likely cross over major producing states of oil seeds.

#### PORT-WATCH (Latest) :

Mundra Port is loading 6,300 MT of SBO on the vessel 'Siam Bhavas'. Taurus agents is handling the vessel. The port is expecting 'Laertis' to deliver 19,500 MT of SBO. 'Bang Cendra Wasih' is expected at the port to deliver 23,000 MT of SBO. Interocean agents will be handling these vessels.

Mumbai Port is receiving 5,000 MT of palm oil from the vessel 'Shimakaze'. The cargo was loaded from Malaysia. Interocean agents is handling the vessel.

'Star Orion' has berthed at Kakkinada Port and continues to discharge 6,000 MT of CPO. The port is receiving 5,000 MT of CPO from the vessel 'Victory Prima'.

'Shimakaze' from Malaysia is expected at Kandla Port to deliver 8,500 MT of CPO. The vessel will be handled by Interocean agents.

Delivery of 3,000 MT of palm oil is expected at Chennai Port from the vessel 'Star Orion'. Seaport agents will be handling the vessel.

'Hua Yun 5' is expected at New Mangalore Port to discharge 4,449 MT of CPO. SBM agents will be handling the vessel.

Delivery of 10,000 MT of SBO is expected at JNPT from the vessel 'Laertis'. The vessel will be handled by Interocean agents.

Cochin Port is expecting 'Hua Yun 5' to deliver 4,000 MT of palm oil. Seaport agents will be handling the vessel.

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Belica	2000	Palm Oil	Arrived
	Star Orion	3000	Palm Oil	Expected
Mumbai	Shimakaze	5000	Palm Oil	Arrived
Mundra	Siam Bhavas	6300	SBO	Expected
	Laertis	19500	SBO	Expected
	Bang Cendra Wasih	23000	SBO	Expected
Kakinada	Star Orion	6000	CPO	Arrived
	Victory Prima	5000	CPO	Arrived
Kolkata	Vernal Grace	6000	CPO	Arrived
	Spring Wind	6000	CPO	Arrived
Kandla	Pacific Sound	10900	Palm Oil	Arrived
	Shimakaze	8500	CPO	Expected
Manglore	Hua Yun 5	4449	CPO	Expected

JN PT	Laertis	10000	SBO	Expected
Cochin	Hua Yun 5	4000	Palm Oil	Expected

### Forex Rates

(As on 16.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.82
European Union	Euro	53.66
United Kingdom	Pound Sterling	79.43
Japan	100 Yen	38.41
Malaysia	Ringgit	12.11

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