

## VEGOIL

November 23, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Up On Hope of Good Demand
- CBOT Soy Futures Settle Mixed

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD is moving upward and has crossed the signal line, which indicates medium term bullishness.
2. Stochastic indicator is moving upward in the neutral region, there is no indication of trend reversal.
3. Close below 9 days EMA and 18 days EMA is indicating bearish market sentiments.

**Market Advice:** Market is expected to open high. Go long at 352.20 with target 3 53.40, put stop loss at 351.80.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	350.20	348.80	353.50	354.90

#### 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 Mixed

Soy Futures at Chicago Board of Trade settled mixed on Tuesday. January soybean future settled unchanged at \$5.7225 and March up 0.25 cents at \$5.80 per bushel. December soybean future settled off \$0.3 at \$173.6 per short ton and December soy oil up 5 points at 21.98 cents per pound. Overall outlook is bearish for soy. Improving weather in South America and frequent reports of bird flu has attributed weakness in the soy markets. Sowing is in progress in Argentina and Brazil. So, weather is a crucial factor. Planting of soybean is completed in 64% of targeted area in Brazil, while planting is nearing 50% in Argentina. Traders are eyeing for Census Bureau Crush report for October to be released on Wednesday. Traders are expecting crush numbers to come close to 158.5 million bushels. Stock for soy meal expected to near 2.5 lakh ton and oil stocks to near 1.82 billion pounds.

#### CBOT Soy oil futures as 22.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	21.93	22.05	22.05	21.85	21.98	+0.05
Jan'06	22.13	22.28	22.28	22.01	22.13	0.00
Mar'06	22.37	22.47	22.50	22.30	22.37	0.00
May'06	22.62	22.73	22.76	22.59	22.67	+0.05
Jul '06	22.86	23.00	23.07	22.85	23.06	+0.20
Aug'06	22.95	23.10	23.15	22.95	23.15	+0.20

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Settle Higher

South American soybean settled higher notwithstanding weak advises from CBOT. March South American soybean settled up 2 cents at \$6.05 per bushel. Sowing is in progress in South American countries. Weather in Argentina and Brazil is a crucial factor for soy. South American crop dimensions are next featured thing for soy after much clamored fowl stories in Asian markets. Traders said that lack of funding might result in low use of input like fertilizers and fungicides etc by Brazilian farmers, which eventually would impact the crop size therein.

#### BMD Crude Palm oil Futures Settle Up on Hopes of Good Demand

Crude Palm oil futures at Bursa Malaysia Derivatives settled higher after a choppy session on Wednesday. Benchmark February future settled up MYR11 at MYR1414 per ton. Traders are expecting demand for palm oil to improve in coming months. Traders feel that Chinese would not take chance of importing more soybeans, as soy business is losing luster due to rising concern over bird flu.

So, they may turn to Malaysian markets for their edible oil requirement. Further, production of palm oil seasonally declines during November to February.

#### BMD: CPO Futures (23.11.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1403	1405	1413	1400	1411	+8	418
Jan '06	1404	1402	1415	1402	1414	+10	382
Feb '06	1403	1400	1416	1400	1414	+11	2356
Mar '06	1403	1405	1414	1401	1412	+9	477
Apr '06	1403	N.A	N.A	N.A	N.A	0	N.A

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Palm oil prices at spot market continued range bound. There were bit higher prices of palm oil in Chennai market only due to rain. There were low supplies of palm oil in the market due to rain. Traders are expecting demand for palm oil to improve in coming months in international market. Market sentiment expected range bound.

FOB prices of CPO (December) were last quoted at \$ 360 per tonne and RBD Palmolein at \$ 395 per tonne.

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

Centres	23.11.05	22.11.05	Change
Kandla CPO (5 % FFA)	340	338	+2
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	374	374	0
Chennai RBD Palmolein	387	380	+7
Kakinada RBD Palmolein	379	379	0

#### Soy oil

Domestic market sentiment of soy oil range bound. Total arrivals of soybeans were around 5 to 6 lakh bags (1 bags= 85 kg). Oilseeds acreage (Rabi) increase at 75.86 lakh hectare from 73.03 lakh hectare last year, it is 3.88 percent up as compared to last year. December Soy oil prices were closed with positive improvement at the end of the day on NCDEX and NBOT. NCDEX and NBOT December soy oil future is expected to open firm. Spot market prices of soy oil are expected range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 330 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 503 per tonne.

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

Centres	23.11.05	22.11.05	Change
Mumbai (Soy Ref oil)	364	362	+2
Indore (Soy Ref oil)	345	346	-1
Indore (Solvent Ex. oil)+VAT	323	322	+1
Kota (Soy Ref. Oil)	356	356	0
Jaipur (Soy Ref. Oil)	360	360	0
Nagpur (Soy ref. Oil)	344	344	0

**NBOT Soy oil futures as on 23.11.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	350.1	349.5	351.3	348	350.5	+0.4	29730
Jan 05	355.1	355	356.8	353.6	356.7	+1.6	2450

**NCDEX Soy oil futures as on 23.11.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	351.45	351.10	352.45	349.15	352.10	9760	18950
Jan 06	356.25	356.60	357.85	354.00	357.30	3860	8050

**Rape/Mustard oil**

Domestic market sentiments were lacklustre. Oilseeds acreage increase at 75.86 lakh hectares from 73.03 lakh hectares last year, it is 3.88 percent up as compared to last year. Mustard and rape oilseeds crop (Rabi) acreage increased to 53.99 lakh hectare from 48.74 lakh hectare, it is up near to 11 percent and more than normal coverage area. Normal area coverage for rapeseed and mustard stands at 51.02 lakh hectares during rabi season. Market sentiment is expected to bearish in coming days.

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

Centres	23.11.05	22.11.05	Change
Mumbai (Rape Expeller Oil)	382	384	-2
Kota (Rape Expeller Oil)	372	372	0
Jaipur (Rape Expeller Oil)	376	377	-1
Delhi (Rape Expeller Oil)	392	390	+2
Neewai (Kacchi Ghani Rape Oil)	385	385	0

**Groundnut oil**

Spot market prices of groundnut oil range bound. There were bit higher prices of palm oil in Chennai market only due to rain. There were low supplies of edible oil in the market due to rain. Oilseeds acreage increase at 75.86 lakh hectare from 73.03 lakh hectare last year, it is 3.88 percent up as compared to last year. However, groundnut acreage declined by 19.5 per cent, it is 4.5 lakh hectare till last week as compared to 5.59 lakh hectare during the same period last year. Arrivals of groundnut in the Gujarat are remain at about 1.5 lakh bags (1 bag= 35 kg). GN oil prices remain range bound.

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

Centres	23.11.05	22.11.05	Change
Mumbai	450	450	0
Rajkot	455	458	-3
Andhra Region	470	470	0
Chennai	450	440	+10

**LATEST WEATHER WATCH (23.11.2005)****Forecast valid for next 72 hours**

**NORTH :** Mainly dry weather is likely over the region. However, isolated light rain/snow is likely over Jammu & Kashmir after 48 hours.

**EAST:** Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim and northeastern States. Weather will be mainly dry over the rest region.

**SOUTH :** Rain/thundershowers likely at many places over Tamil Nadu, Pondicherry, Kerala, Rayalaseema, South Interior Karnataka and Lakshadweep; at a few places over south Coastal Andhra Pradesh and Nicobar Islands and isolated over Coastal Karnataka and Andaman Islands. Mainly dry weather over the rest region.

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

**Warning**

**Isolated heavy** rainfall likely over Tamil Nadu, Pondicherry, Kerala, Rayalaseema and Lakshadweep.

Source: IMD,GOI

**PORT-WATCH (Latest) :****Edible Oil**

Chennai Port is receiving 7,250 MT of palm oil from the vessel 'Spring Glory'. Seaport agents is handling the vessel. Delivery of 1,850 MT of palm oil is expected at Chennai Port from the vessel 'Mega Crown No.1'. Seaport agents will be handling the vessel.

Kolkatta Port is receiving 6,000 MT of CPO from the vessel 'Khadijah'. The vessel is being handled by Seaport agents. Delivery of 6,000 MT of CPO each is continuing from the vessels 'Cheras' and 'MMM Jackson' respectively. 'Filma Satu' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO.

'Shimakaze' from Malaysia has berthed at Kandla Port and continues to deliver 4,000 MT of CPO. Delivery of 4,000 MT of SBO is continuing at Kandla Port from the vessel 'Laertis'. The cargo was loaded from Argentina. These vessels are being handled by InterOcean agents. The port is expecting 'Bunga Cenderawasih' from Brazil to discharge 13,010 MT of SBO. InterOcean agents will be handling these vessels.

New Mangalore Port is receiving 7,000 MT of CPO from the vessel 'Bumik'. The port is expecting 'Laertis' from Argentina to deliver 7,000 MT of SBO.

'Bang Cendra Wasih' from Brazil is expected at Mundra Port to deliver 23,000 MT of SBO. InterOcean agents will be handling these vessels.

Kakkinada Port is expecting 'Vernal Grace' to deliver 6,000 MT of CPO. 'MMM Houston' delivered 6,000 MT of CPO at the port and sailed off.

Delivery of 10,000 MT of SBO is expected at JNPT from the vessel 'Laertis'. The cargo was loaded from Argentina. The vessel will be handled by InterOcean agents.

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Spring Glory	7250	Palm Oil	Arrived
	Mega Crown 1	1850	Palm Oil	Expected
Mumbai	Shimakaze	5000	Palm Oil	Arrived
Mundra	Bang Cendra Wasih	23000	SBO	Expected
Kakinada	Vernal Grace	6000	CPO	Arrived
	MMM Houston	6000	CPO	Arrived
Kolkata	Filma Satu	6000	CPO	Arrived
	Khadijah	6000	CPO	Arrived
	Cheras	6000	CPO	Arrived
	MMM Jackson	6000	CPO	Arrived
	Filma Satu	6000	CPO	Arrived
	Laertis	4000	SBO	Arrived
Kandla	Shimakaze	4000	CPO	Arrived
	Bunga Cenerawaish	13010	SBO	Expected

Manglore	Bumik	7000	CPO	Arrived
	Laertis	7000	SBO	Expected
JN PT	Laertis	10000	SBO	Expected

### Forex Rates

(As on 23.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.74
European Union	Euro	54.15
United Kingdom	Pound Sterling	78.89
Japan	100 Yen	38.57
Malaysia	Ringgit	12.10

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.