

## VEGOIL

November 19, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Lower

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD is just turned slightly upwards, but still below signal line, which indicates medium term bearish.
2. The % K line has cross over % D line and bounced from oversold region, confirming trend reversal.
3. Close below 9 days EMA and 18 days EMA is indicating medium term bearishness.

**Market Advice:** Remain go long cautiously. Market is expected to open firmly.

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Dec'05	349.10	347.50	351.90	352.90

#### 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 Lower

Soy futures at Chicago Board of Trade settled down on multiple bearish factors on Friday. January soybean future settled off 9.5 cents at \$5.6975 per bushel and March off 9.5 cents at \$5.7725 per bushel. December soybean future settled off \$2.6 at \$172.2 per short ton and December soybean oil off 15 points at 22.01 cents per pound. Fundamentally soy market is weak. Weather is improving in South America. Further, repeated reports of bird flu outbreaks have caused depression in soy markets. Demand for meal has gone down from the livestock industry due to bird flu. Much needed rains in Argentina weighed on futures. Forecast of precipitation in dry areas of northern Brazil also had negative impact on prices. Weakness in Crude oil triggered liquidation in soy oil.

#### CBOT Soy oil futures as 18.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	22.16	22.08	22.08	21.90	22.01	-0.15
Jan'06	22.34	22.19	22.23	22.05	22.19	-0.15
Mar'06	22.60	22.48	22.48	22.34	22.43	-0.17
May'06	22.83	22.70	22.70	22.55	22.68	-0.15
Jul '06	23.03	22.90	22.95	22.75	22.94	-0.09
Aug'06	23.13	23.05	23.05	22.95	23.04	-0.09

CBOT remains closed on Saturday and Sunday.

#### South American Soy Futures Settle Mixed

South American soy future settled Mixed yesterday. March South American soybeans settled unchanged yesterday at \$ 608 per bushel. There is very slow pace of cash trading of soybean in South America only due to strength of Brazil currency as compared with US \$ which is reducing the profit of producers and another reason to low pace of cash trading is the very poor margin of soybean crushers there. Brazil producers receive 30 reals for a 60 kg bags as compared to 35.50 reals per bags previous year during this time (US \$ =2.18 reals). Due to favorable weather for soy crop in Barazil as well in Argentina is helped pressure the soy market. Bulk supply of soybean in US and competition for soybean exports from Argentina brought bearish picture. China showed buying interest in both US and Argentina soybean. US Soybean is cheapest at this time in current marketing year. Continuous increasing bird flu in China and Vietnam is disappointing news for traders only due to this reason export demand of Soymeal is declined during this week.

#### BMD remains closed on Saturday and Sunday

#### BMD: CPO Futures (18.11.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1416	1417	1420	1410	1418	+2	458
Jan '06	1415	1415	1420	1410	1420	+5	654
Feb '06	1417	1413	1420	1409	1418	+1	2685
Mar '06	1417	1415	1420	1409	1419	+2	323
Apr '06	1417	1410	1415	1410	1415	-2	48

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 continued range bound. Government of India revised lower Import base prices marginally on palm oil and palm products (\$ 1-4 per ton). Palm oil prices range bound only due to bumper harvesting of soybean and groundnut in major producing states. India imported more edible oil in this year as compared to previous year. Market sentiment expected range bound.

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

Centres	19.11.05	18.11.05	Change
Kandla CPO (5 % FFA)	338	339	-1
Kandla RBD Palmolein	358	358	0
Mumbai RBD Palmolein	372	372	0
Chennai RBD Palmolein	378	380	-2
Kakinada RBD Palmolein	380	380	0

#### Soy oil

Domestic market sentiment of soy oil range bound. December Soy oil future is improved at NCDEX and NBOT. Arrival of Soybean is 2.00 lakh, 1.5 lakh and 1.50 lakh bags (1 bags= 85 kg) in Madhya Pradesh, Rajasthan and Maharashtra respectively and 12000 bags in Kota only. Arrival of soybean is low as compared with yesterday's arrival. There is expected to bit improvement in soy oil prices at spot market as well as future market. Harvesting of soy crop about 80-90 % is likely over in major producing states of soybean and arrival of soybean is declining.

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 \$ 500 per tonne.

Market sentiment of soyoil expected range bound.

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

Centres	19.11.05	18.11.05	Change
Mumbai (Soy Ref oil)	362	363	-1
Indore (Soy Ref oil)	343	342	+1
Indore (Solvent Ex. oil)+VAT	318	315	+3
Kota (Soy Ref. Oil)	352	348	+4
Jaipur (Soy Ref. Oil)	356	352	+4
Nagpur (Soy ref. Oil)	341	340	+1

#### NBOT Soy oil futures as on 19.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	347.50	348.10	350.40	348.00	350.00	+2.5	15650
Jan 05	352.30	353.80	354.80	353.50	354.50	+2.20	920

#### NCDEX Soy oil futures as on 19.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	348.45	349.10	351.35	349.05	351.00	5130	21190
Jan 06	353.15	353.15	355.80	352.60	355.80	1960	6920

#### Rape/Mustard oil

Domestic market of mustard oil prices remains range bound. February mustard seed future closed bit higher in Hapur, while it settled negative of Delhi markets. Sowing acreage of mustard is increased to 6 lakh hectare and production estimate increased at 60 lakh ton. Total oil seeds production figure estimated higher this year as compared to previous year, despite huge stock of mustard seeds with private stockist and NAFED and India's import of edible increased this year by 15 % as compared to previous marketing year.

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

Centres	19.11.05	18.11.05	Change
Mumbai (Rape Expeller Oil)	383	383	0
Kota (Rape Expeller Oil)	370	372	-2
Jaipur (Rape Expeller Oil)	378	376	+2
Delhi (Rape Expeller Oil)	388	389	-1
Neewai (Kacchi Ghani Rape Oil)	385	385	0

#### Groundnut oil

Spot market prices of groundnut oil were mixed. Harvesting in some parts of Andhra state is started. More than 85 percent harvesting of groundnut is over in Gujarat. Arrivals of groundnut in the Gujarat are marginally declined at about

1.5 lakh bags (1 bag= 35 kg). Spot market prices of Mumbai as well as Andhra region is slightly declined. However GN oil prices are increased in Rajkot market and Chennai market was remain unchanged. GN oil prices were increased only due to low arrival and harvesting of groundnut is likely over in Gujarat.

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

Centres	19.11.05	18.11.05	Change
Mumbai	446	450	- 4
Rajkot	455	445	+10
Andhra Region	473	477	- 4
Chennai	450	450	0

#### Forex Rates (As on 19.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.74
European Union	Euro	53.60
United Kingdom	Pound Sterling	78.53
Japan	100 Yen	38.40
Malaysia	Ringgit	12.13

#### LATEST WEATHER WATCH (19.11.2005)

Clear skies and dry weather is cross over oil seed producing states.

#### PORT-WATCH (Latest) :

Delivery of 2,500 MT of CPO is continuing at Kandla Port from the vessel 'Star Dream'. The cargo was loaded from Malaysia. Interocean agents is handling the vessel. 'Shimakaze' from Malaysia is expected at Kandla Port to deliver 8,500 MT of CPO. The vessel will be handled by Interocean agents.

'Filma Satu' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. The port is expecting 'Khadijah' to deliver 6,000 MT of CPO. The vessel will be handled by Seaport agents.

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'. The port is expecting 'MMM Houston' to discharge 6,000 MT of CPO.

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' has berthed at New Mangalore Port and continues to discharge 4,449 MT of CPO. SBM agents is handling the vessel.

Mundra 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.

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 '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	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

	MMM Houston	6000	CPO	Expected
Kolkata	Filma Satu	6000	CPO	Arrived
	Khadijah	6000	CPO	Expected
Kandla	Star Dream	2500	CPO	Arrived
	Shimakaze	8500	CPO	Expected
Manglore	Hua Yun 5	4449	CPO	Arrived
JNPT	Laertis	10000	SBO	Expected
Cochin	Hua Yun 5	4000	Palm Oil	Arrived

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