

## VEGOIL

02<sup>nd</sup> November 2005

### MAJOR ACTIVITY HIGHLIGHTS

- **BMD Crude Palm Oil Futures Settle Marginally Down**

### TECHNICAL ANALYSIS (For 4<sup>th</sup> November)

NCDEX Markets remained closed today.

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX October Contract

#### Technical Analysis for November Contract:

1. The MACD started moving upwards, sign of strength in the market prices.
2. 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.
3. The 3-day EMA prices moving up wards and going to touch 7-day EMA, which is indication short-term strength.
4. 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 lower on Wednesday. Benchmark January future settled off MYR5 at MYR1440 per ton on Monday. Market was closed on Tuesday for Diwali and will remain closed on Thursday and Friday for Idul Fitri. Trade volume remained thin as majority avoided taking fresh positions for long holidays ahead. Market remained range bound amidst dearth of fresh fundamental news. Markets in Indonesia, which is another big exporter of Palm oil, will remained closed from November 2-8 Idul Fitri. Overnight weak closing of soyoil futures had negative impact on the prices. News of duty hike from the India also had negative impact. On Monday, government raised tariff value of Palm and its products, while slightly cut tariff on Soy tilting edge towards the later. Soy and palm are considered as traditional rival.

#### KLCE CPO Futures (31.10.2005)

(Ringgit/ton)

Months	Previous	High	Low	Close	Change
Nov '05	1445	1447	1441	1441	-4
Dec '05	1445	1446	1440	1441	-4
Jan '06	1445	1447	1439	1440	-5
Feb '06	1445	1445	1439	1440	-5

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Most of the Indian markets remained closed to see the religious observance. Recent revision in tariff value of Palmoil has made palm little expensive. However, Traders are expecting slight ease in its prices in coming days. Demand for the same from retail end is to be reduced as festival fiesta is over. Further reports from overseas

markets are also not very bullish. Supply situation is comfortable in the origin countries. SND factor as of now stands in favour of bears.

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

#### 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

Outlook for soy seems bit gloomy. Weather is ideal for harvesting in Central and western states. Harvest is in its last phase. Traders are expecting figures this year to remain close to 57 lakh ton. Reports are not very bullish from the overseas markets. Harvesting has yet to peak in United State. US is going to harvest more than 770 lakh ton of soybean this year. The only hope is Chinese buying. China itself is going to harvest more than 170 lakh ton of soybean. Further, growing concern over bird flu will likely to hamper demand for Soy meal from Feed industry. So, the perspective of soy as of now seems very much gloomy.

**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**

Sowing of rapeseed has started. Traders are expecting decline in acreage of rapeseed in coming season. Rapeseed is least lucrative option for farmers in northern belts. Substantially increasing volume of imported oil and higher stock of last year crop has been blamed for the depression in its prices.

**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**

Harvesting of groundnut is nearing completion in Gujarat. Crops in Andhra Pradesh and Karnataka have been affected by recent rains. Traders believe that bullish report from the southern states would not have much impact on prices due to decline in its demand as festival fiesta is over.

Traders rule out possibility of big movement in its prices in near term.

**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 Uttarakhand. 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) :**

'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..

#### Forex Rates (As on 02.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.180
Malaysia	Ringgit	11.94
European Union	Euro	54.36
United Kingdom	Pound Sterling	79.81
Japan	100 Yen	38.69

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	MMM Galvestone	6000	CPO	Arrived
	Belicia	3800	CPO	Arrived
	Megacrown	2000	CPO	Expected
	Padang	6000	CPO	Expected

	Halaban			
	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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