

## VEGOIL

November 15, 2005

### MAJOR ACTIVITY HIGHLIGHTS

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

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX October Contract

#### Technical Analysis for December Contract:

1. The MACD moving downward which indicates medium term weakness.
2. The stochastic has just entered in neutral region from oversold region and moving upward. Indicating trend reversal.
3. Close below 9 days EMA and 18 days EMA is indicating short-term bearishness.
4. Candlestick pattern has formed hammer pattern indicating trend reversal is likely.

**Market Advice:** Trend reversal is likely. Those who are long should maintain their position. Prices are expected to go up.

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

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Dec'05	351.60	350.70	352.80	353.50

#### 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 futures at Chicago Board of Trade settled lower on Monday. January Soybeans settled lower 6.5 cents at \$ 5.95 per bushel, 10 cents off the high and 2 cents up from the low and March Soybeans finished off 5.75 cents at \$ 6.01 per bushel, 2.5 cents up from the low and 9 cents off the high. December Soybean Oil settled lower \$ 1.5 at \$ 180.2/tonnes, \$ 1.4 up from the low and \$ 2.8 off the high. December Soybean Oil closed down 23 points at 22.51 cents/pounds. There was rumour of strong demand emerging for US soybean from China. Chinese rumors helped soy futures in the early hours. Heavy deliveries of soy and products of November month were disappointing. Crush report released by National Oilseed Processors' Association (NOPA) had not much impact on values. Crushing in October future was estimated at 150.86 million bushels against earlier expectation of 148-152 million bushels. Weather in South America is crucial factor to eye upon. Dryness there in is bit concerning due to dryness. Weekly export inspection for soybean was also disappointing. Weekly export inspection came in at 20.1 million bushels against expectations of 30-35 million bushels.

#### CBOT Soy oil futures as 14.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	22.74	22.70	22.73	22.47	22.51	-0.23
Jan'06	22.93	22.80	22.95	22.67	22.71	-0.22
Mar'06	23.13	23.05	23.15	22.89	22.91	-0.22
May'06	23.38	23.30	23.35	23.13	23.13	-0.25
Jul '06	23.61	23.49	23.55	23.35	23.37	-0.24
Aug'06	23.66	23.50	23.50	23.43	23.43	-0.23

CBOT remains closed on Saturday and Sunday.

#### South American Soy Futures Settle Higher

South American soy future settled slightly higher on Monday. March South American soybeans settled 12 cents higher at \$ 6.30. Oil content hit a record high of 19.41% as compared with 18.61% last year and a 20-year average of 18.65%. Soyoil ending stocks were revised higher in last week's USDA supply/demand report to 1.891 billion pounds from 1.641 billion last months. There is still optimism about the strong demand of soybean from China. Regular reports on Bird flu, however, are disappointing for soy traders. China confirmed 8<sup>th</sup> out break of bird flu since early October. India's Oilseed production figures released at 43<sup>rd</sup> Oilseed Convention on 11-12 November 2005 revealed Oilseeds production higher to 13.37 million tonnes from 12.37 million tonnes. Production of soybean was put at 61.6 lakh ton, up against 58.5 lakh ton harvested last year. Soy crop figures were bit bearish for Indian soybean markets.

Dry weather situation in South America helped offsetting the bearish factors. However, it would be too early to worry on this factor.

#### BMD Crude Palm Oil Futures Settle Lower

Crude Palm Oil Futures at Bursa Malaysia Derivatives settled lower notwithstanding friendly export data. Benchmark January future settled off MYR 7 at MYR 1422 per ton. Market candidly ignored the MPO export data for first 15 days of November. Cargo Surveyor SGS estimated the MPO export during November 1-15 at 533,521 ton, up against earlier trade expectations of 4.5-4.8 lakh ton. Though numbers were down on month basis, but have recovered significantly in past five days. However, bearish trickles from CBOT kept the Malaysians dispirited.

BMD: CPO Futures (15.11.2005) (Ringgit/ton)						
Months	Previous	Open	High	Low	Close	Change
Dec '05	1430	1429	1431	1422	1422	-8
Jan '06	1429	1428	1430	1420	1422	-7
Feb '06	1429	1430	1430	1422	1422	-7
Apr '06	1429	1426	1426	1423	1424	-5

BMD remains closed on Saturday and Sunday.

#### India's Edible Oil Import Figure of October 2005 (Unit: Metric Tonnes)

Sl. no	Items	Oct 2005	Oct 2004	% Change
1.	Edible Oil	411124	513289	-20
2.	Crude Palm Oil	213859	180795	+18.28
3.	Crude Soy Oil	182850	166981	+ 9.50
4.	RBD Palm Olein	10915		
5.	Sunflower Oil	3000		
6.	Palm Kernel Oil	500		

#### Palm Oil

Palm oil prices at spot market range bound. Traders are expecting demand to emerge from vanaspati industry for the marriage season. Palm oil prices settled lower at the international markets.

FOB prices of CPO (Nov) were last quoted at \$ 367.50 per tonne and RBD Palmolein at \$ 402.50 per tonne.

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

Centres	15.11.05	14.11.05	Change
Kandla CPO (5 % FFA)	339	340	-1
Kandla RBD Palmolein	358	360	-2
Mumbai RBD Palmolein	371	372	-1
Chennai RBD Palmolein	388	388	0
Kakinada RBD Palmolein	384	384	0

#### Soy oil

Oilseed production figures released at 43<sup>rd</sup> Oilseed Convention on 11-12 November 2005 was bit bearish for oilseed markets. Production of kharif oilseed was put at 133.7 lakh ton, up against last year harvest of 123.6 lakh ton. Production of soybean was put at 61.6 lakh ton, up against 58.5 lakh ton harvested last year. Soy oil prices at spot market mildly declined. Soy futures settled moderately lower yesterday on Chicago Board of Trade. Kota, Rajasthan market is closed today.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 332 per 10 kg. CNF prices for soy degum (November Shipment) at Kandla were quoted at \$ 505 per tonne.

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

Centres	15.11.05	14.11.05	Change
Mumbai (Soy Ref oil)	363	364	-1
Indore (Soy Ref oil)	344	345	-1
Indore (Solvent Ex. oil)+VAT	320	322	-2
Kota (Soy Ref. Oil)	Closed	356	-
Jaipur (Soy Ref. Oil)	Closed	359	-
Nagpur (Soy ref. Oil)	345	345	0

#### NBOT Soy oil futures as on 15.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	351.80	351.00	352.20	335.60	351.10	-0.70	25190
Jan 05	356.50	356.30	356.90	355.80	355.90	-0.60	510

#### NCDEX Soy oil futures as on 15.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	345.95	345.80	346.25	345.20	345.75	8650	9930
Dec'05	351.95	351.10	352.65	352.40	352.40	9845	23580
Jan 06	357.00	357.40	358.45	356.20	357.50	1746	3950

#### Rape/Mustard oil

Rapeseed markets is slightly improved. Sowing of mustard area is over in most of the producing states. However, rapeseed is rainfed crop and quiet insensitive to moderate weather strains. Acreage this year however, is expected to decline.

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

Centres	15.11.05	14.11.05	Change
Mumbai (Rape Expeller Oil)	390	385	+5
Kota (Rape Expeller Oil)	373	372	+1
Jaipur (Rape Expeller Oil)	378	379	+1
Delhi (Rape Expeller Oil)	395	396	-1
Neewai (Kacchi Ghani Rape Oil)	387	387	0

#### Groundnut oil

Ground nut oil prices mildly 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. Figures however, had not much impact on its prices in spot markets. Harvesting of groundnut in Gujarat is done in 70-75% of targeted area. Arrivals of groundnut in the state were reported at about 2 lakh bags (1 bag=35 Kg). Traders rule out big ease in its prices in near term. Arrivals of groundnut in the Gujarat are likely to shrink in the coming days.

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

Centres	15.11.05	14.11.05	Change
Mumbai	468	471	-3
Rajkot	453	455	-2
Andhra Region	490	490	0
Chennai	465	470	-5

#### LATEST WEATHER WATCH (15.11.2005)

##### Forecast valid for 72 hours

**NORTH :** Mainly dry weather is likely over region.

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

**SOUTH :** Rain/thundershowers likely at many places over Nicobar Islands and isolated over Tamil Nadu & Pondicherry, Kerala, Lakshadweep and Andaman Islands. Weather may be mainly dry over the rest region.

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

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

Rainfall over Tamil Nadu and Kerala is likely to increase with isolated heavy rainfall over these areas.

Source: IMD, GOI.

#### PORT-WATCH (Latest) :

Kandla Port is receiving 10,900 MT of palm oil from the vessel 'Pacific Sound'. The cargo was loaded from Malaysia. Interocean agents is handling the vessel. 'Shimakaze' from Malaysia is expected at the port to deliver 8,500 MT of CPO. The vessel will be handled by Interocean agents.

'Belicia' has berthed at Chennai Port and continues to deliver 2,000 MT of palm oil. The vessel is being 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.

'Vernal Grace' has berthed at Kolkata Port and continues to discharge 6,000 MT of CPO. GAC agents is handling these

vessels. 'Spring Wind' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO.

Mundra Port is expecting the loading of 6,300 MT of SBO from the vessel 'Siam Bhavas'. The port is expecting 'Laertis' to deliver 19,500 MT of SBO. Interocean agents will be handling the vessel.

Mumbai Port is receiving 7,500 MT of palm oil from the vessel 'Star Dream'. Interocean agents is handling the vessel. The port is expecting 'Shimakaze' from Malaysia to deliver 5,000 MT of palm oil. The vessel will be handled by Interocean agents.

'Star Orion' is expected at Kakkinada Port to discharge 3,000 MT of CPO. The port is expecting 'Victory Prima' to deliver 5,000 MT of CPO.

'Hua Yun 5' is expected at New Mangalore Port to discharge 4,000 MT of CPO.

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Belica	2000	Palm Oil	Arrived
	Star Orion	3000	Palm Oil	Expected
Mumbai	Star Dream	7500	Palm Oil	Arrived
	Shimakaze	5000	Palm Oil	Expected
Mundra	Siam Bhavas	6300	SBO	Expected
	Laertis	19500	SBO	Expected

Kakinada	Star Orion	3000	CPO	Expected
	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	4000	CPO	Expected

#### Forex Rates

(As on 15.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.67
European Union	Euro	53.71
United Kingdom	Pound Sterling	79.68
Japan	100 Yen	38.72
Malaysia	Ringgit	12.06

#### 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.