

## VEGOIL

December 30, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Oil Settle Higher
- CBOT Soy Futures Settle Lower
- BMD CPO Futures Settle Mixed

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD is moving downwards in the negative territory indicating bearish sentiments.
2. % K line has turned upwards and crossed %D line from below in the over sold region hinting technical trend reversal.
3. Close far below 5 days EMA (344.28) and 7 days EMA (342.69) indicates bearish trend.
4. Candlestick pattern shows slightly bullish sentiments.

**Market Advice:** Market is expected to open firm and hinting trend reversal. Go long near =340.60, target near=341.80, stop loss near=340.10.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	338.80	337.50	341.90	343.20

#### 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 Further Settled Lower

Soy future further settled lower at Chicago Board of Trade. March Soybeans settled down 13.5 cents at \$ 6.0875 per bushel, 16.25 cents off the high and 1.25 up from the low. May Soybeans settled down 12.25 cents at \$6.1775 per bushel, 1.75 cents up from the low and 15.75 cents off the high. March Soybean oil settled down 0.06 cent at \$ 2.116 per bushel, 0.64 cent off the high and 0.08 cent up from the low. March soybean has attained the lowest level within last two weeks. Weakening in the prices is due to additional selling due to the first day notice for the January contract. Traders are looking for the hefty deliveries of soybean and soybean oil. Dry soils in some of the major producing areas in Argentina are the major concern. Dry weather forecasted for Argentina, but rain is required for good production.

#### CBOT Soy oil futures as 29.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	20.84	20.75	21.45	20.75	20.90	+0.06
Mar '06	21.22	21.15	21.80	21.08	21.16	-0.06
May '06	21.45	21.52	22.01	21.45	21.55	+0.10
Jul '06	21.82	21.85	22.35	21.82	21.85	+0.03
Aug '06	21.93	22.00	22.40	22.00	22.01	+0.08
Sep '06	22.07	22.15	22.55	22.10	22.11	+0.04
Oct '06	22.28	22.50	22.65	22.35	22.35	+0.07
Dec '06	22.46	22.60	22.90	22.55	22.60	+0.14

CBOT remains closed on Saturday and Sunday.

#### South American soybean futures Settle Lower

March South American soybeans settled down 2 cents lower at \$ 6.46 per bushel. Improving crop conditions in Brazil make over the poor crop conditions in Argentina. Crop conditions seem to be improving with timely rains in Brazil, but a lack of a major rain required in Argentina and dry forecast ahead deteriorating crop conditions into early January. Moreover, China have bought few more cargos of soybean from Argentina were the carryover stock is abundant.

#### Crude Palm Oil Futures at BMD Settle Mixed

Crude Palm oil futures Bursa Malaysia Derivatives settled mixed on Friday. Benchmark March future settled unchanged at MYR1415 per ton. Since, there was no fresh freaky news, moves at exchange were driven mostly out of speculative factors. Immediate burden of rising inventories and slowed export demand were the customary factors kept weighing on values. Traders are expecting demand for palm oil to increase from China for Lunar New Year in coming weeks. This might be the only supportive feature to look in near term.

BMD: CPO Futures (30.12.2005)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1399	1399	1405	1397	1397	-2	1064
Feb 06	1411	1410	1416	1409	1409	-2	642
Mar 06	1415	1414	1423	1412	1415	0	2044
Apr 06	1417	1419	1426	1419	1420	+3	1118
May 06	1422	1426	1426	1426	1426	+4	10

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Palm oil prices at physical market were mixed. KLCE futures at BMD are settled mixed. There was no fresh freaky news; moves at exchange were driven mostly out of speculative factors. Immediate burden of rising inventories and slowed export demand were the customary factors kept weighing on values. Palm oil prices are expected to move range bound.

FOB prices of CPO (January) were last quoted at \$ 355 per tonnes and RBD Palmolein at \$ 390 per tonnes.

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

Centres	30.12.05	29.12.05	Change
Kandla CPO (5 % FFA)	334	335	-1
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	370	370	0
Chennai RBD Palmolein	374	372	+2
Kakinada RBD Palmolein	368	367	+1
Hyderabad RBD Palmolein	375	377	-2

#### Soy oil

Today domestic soy oil prices continue to weak in most of the markets amidst low demand at retail ends. The stock of soy oil in increased ultimately due to increasing export demand of soybean in Asian countries. Arrival of soybean is increased in most of Mandies. Total arrivals of soybeans were 90,000-100,000, 35,000-40,000 and 40,000-45,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 10,000 bags only. January Soy oil prices settled slightly higher on NCDEX and NBOT. Soy oil prices are expected to range bound with positive sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 328 per 10 kg. CNF prices for soy degum (January Shipment) at Kandla were quoted at \$ 472 per tonne.

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

Centres	30.12.05	29.12.05	Change
Mumbai (Soy Ref oil)+VAT	336	340	-4
Indore (Soy Ref oil)	337	339	-2
Indore (Solvent Ex. Oil)+VAT	311	313	-2
Kota (Soy Ref. Oil)	345	350	-5
Jaipur (Soy Ref. Oil)	348	351	-3
Nagpur (Soy ref. Oil)	341	341	0
Chennai (Soy Ref Oil)	356	359	-3
Hyderabad (Soy Ref)	363	362	+1
Rajkot (Soy Ref)	340	340	0

## Rape/Mustard oil

Mustard oil prices at physical market went down slightly amidst low demands at retail ends. Low prices of soy oil and cotton oil in the markets are the major cause of low mustard oil prices. These oils are substitute of each other. Mustard seed prices are also declined slightly. Low seed prices will bring negative impact on mustard oil prices. According to traders there is huge stock of mustard seed. Harvest of Mustard seed will be starting in the second fortnight of January in some areas of Kota division Nagore district (Medta), Jaipur, Mewat and Shekhwati. Weather is ideal for mustard crop.

### Mustard Oil: Spot Market Price (Rs. per 10 kg)

Centres	30.12.05	29.12.05	Change
Mumbai (Rape Expeller Oil)	368	370	-2
Kota (Rape Expeller Oil)	356	360	-4
Jaipur (Rape Expeller Oil)	358	362	-4
Delhi (Rape Expeller Oil)	382	380	+2
Neewai (Kachchi Ghani Rape Oil)	369	370	-1
Kota (Kachchi Ghani Rape oil)	378	380	-2

## Groundnut oil

Domestic markets prices of groundnut oil were lacklustre amidst poor demands at retail ends in most of the markets. Arrivals of groundnut were around 90,000 bags in Gujarat. Demand of GN oil were low in the major markets due to the increased availability of other competitive oils, which although are less priced.

### Groundnut Oil Spot Market Price (Rs. Per 10 kg)

Centres	30.12.05	30.12.05	Change
Mumbai	436	438	-2
Rajkot	450	450	0
Andhra Region	440	440	0
Chennai	445	450	-5

## Sunflower Oil

Sunflower oil prices on physical market are declined as compared to yesterday's prices. Due to huge availability of other low priced edible oil in the market in comparison to sunflower oil like a soy oil, rice bran oil and cotton oil. CIF Sunflower oil prices (January shipment) at Kandla port were quoted at \$ 564 per tonnes.

### Sunflower Oil: Spot Market prices (Rs/10 Kg)

Markets	30.12.05	29.12.05	Change
Mumbai (Refine)	407	420	-13
Mumbai (Crude oil)	375	385	-10
Chennai (Refine)	465	465	0
Chennai (Crude)	405	405	0
Hyderabad (Refine)	430	435	-5

## Cotton Oil

Cotton oil prices on physical markets were remains low. All edible oil market sentiments were low due to huge stock of edible oil in the markets. Cotton oil prices are expected to range bound in near term.

### Cotton Refine Oil: Spot Market prices (Rs/10 Kg)

Markets	30.12.05	29.12.05	Change
Mumbai	342	345	-3
Hyderabad	362	362	0
Rajkot	335	338	-3

### NBOT Soy oil futures as on 30.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	338.60	337.50	339.30	337.20	339.20	+0.60	25240
Feb '06	340.00	338.50	341.10	338.10	341.10	+1.10	11780

### NCDEX Soy oil futures as on 30.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	338.80	338.70	340.75	338.10	340.45	3140	16490
Feb'06	341.00	340.20	342.95	339.00	342.70	8170	20920

### Forex Rates (As on 30.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.07
European Union	Euro	53.55
Japan	100 Yen	38.44
United Kingdom	Pound Sterling	77.89
Malaysia	Ringgit	11.92
China	CNY	5.58
Argentina	ARS	14.87
Brazil	BRL	19.37
Indonesia	1000 IDR	4.58

## LATEST WEATHER WATCH (30.12.2005)

### Forecast valid for next 72 hours

**NORTH : Scattered rainfall/snowfall** is likely to commence over Western Himalayas and isolated to scattered rain/thundershowers over the plains of Punjab, Haryana (Chandigarh & Delhi) and West Uttar Pradesh from 31<sup>st</sup> December.

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

**SOUTH : Isolated rain/thundershowers** are likely over Andaman & Nicobar islands, Tamil Nadu & Pondicherry, Kerala and Lakshadweep. Weather will be **Mainly dry** in the rest region.

**WEST: Mainly dry** weather over the region. **Isolated rain/thundershowers** likely over north Rajasthan from 1<sup>st</sup> January.

**Source:** IMD, GOI

### PORT-WATCH (Latest):

'Khadijah' is discharging 3,000 MT of CPO at Kolkata Port. The vessel is being handled by Atlantic agents. 'Montana Sun' has berthed at Kolatta Port and continues to discharge 21,451 MT of SBO. The vessel is being handled by JM Baxi agents. The port is expecting 'Cheras' to deliver 6,000 MT of CPO. Seaport agents will be handling the vessel.

'Global Eos' from Indonesia has berthed at Kandla Port and continues to deliver 5,500 MT of CPO. Forbes Gokak agents is handling the vessel. The port is receiving 8,000 MT of CPO from the vessel 'Gemini'. The cargo was loaded from Dumai. The vessel is being handled by JM Baxi agents.

'Global Eos' from Indonesia is expected at Mumbai Port to deliver 7,299 MT of palm oil. Forbes Gokak agents will be handling the vessel.

'Spring Wind' is expected at Cochin Port to discharge 4,000 MT of CPO.

Delivery of 20,000 MT of SBO is expected at Chennai Port from the vessel 'Stolt Excellence'. JM Baxi agents will be handling the vessel.

Kakkanada Port is expecting 'Global Pallas' to discharge 3,000 MT of CPO.

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Eos	5500	CPO	Arrived
	Gemini	8000	CPO	Arrived
Kolkata	Khadijah	3000	CPO	Arrived
	Montana Sun	21451	SBO	Arrived
	Cheras	6000	CPO	Expected
Mumbai	Nolowati	10000	Palm Oil	Arrived
	Global Eos	7299	Palm Oil	Expected
Cochin	Spring Wind	4000	CPO	Expected
Chennai	Stolt Excellence	20000	SBO	Expected
Kakinada	Global Pallas	3000	CPO	Expected

### 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.