

## VEGOIL

December 29, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Oil Settle Down
- CBOT Soy Oil Futures Settle Lower
- BMD CPO Futures Settle slightly up

### 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. Stochastic is moving downwards in the over sold region indicating bearishness.
3. Close far below 5 days EMA(345.13) and 7 days EMA(343.3) indicates bearish trend.

**Market Advice:** Market is in over sold territory and hinting trend reversal. Go long near 339 with target 340.5, put stop loss at 338.5.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	338.13	337.47	340.08	341.37

#### 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 lower 1.5 cents at \$ 6.2225 per bushel, 3.25 cents off the high and 3 cents up from the low. May soybeans closed down 3 cents at \$ 6.3025 per bushel. This was 2.75 cents up from the low and 4.25 off the high. March soymeal settled down 0.9 cents at \$ 2.026 per bushel 1.4 cents up from the low and 1.2 cents off the high. March soybean oil settled further down 0.06 cents at \$ 2.122, 0.16 cents off the high and 0.24 up from the low. Prices settled lower due to the improving weather conditions of Brazil in near-term. There are rumors that China has bought few cargos from Argentina rather than from US. China usually buy soybean from US at this time of the year. However, Argentina prices are higher due to the dry forecast but the carryover stock in Argentina is in abundant.

#### CBOT Soy oil futures as 28.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	20.98	21.00	21.00	20.64	20.84	-0.14
Mar 06	21.28	21.30	21.38	20.98	21.22	-0.06
May'06	21.59	21.67	21.68	21.35	21.45	-0.14
Jul '06	21.91	21.97	22.02	21.66	21.82	-0.09
Aug'06	22.07	22.12	22.12	21.85	21.93	-0.14
Sep'06	22.20	22.20	22.25	22.07	22.07	-0.13
Oct '06	22.40	22.45	22.45	22.20	22.28	-0.12
Dec'06	22.57	22.65	22.65	22.45	22.46	-0.11

CBOT remains closed on Saturday and Sunday.

#### South American soybean futures Settle Lower

March South American soybeans settled 1 cent lower on Wednesday. Dry forecast in Argentina and already dry soils in some of the major producing areas is the major concern. Argentina and south Brazil received rains on the weekend to ease the dryness concerns but there is still a lack of rains in the Argentina forecast, which is heavenly required. Brazil crops seem to be in better condition due to improving weather conditions in Brazil. There is wake of rains in the southern regions and more in the coming weeks forecast helping in weather conditions in Brazil.

#### Crude Palm Oil Futures at BMD Settle Slightly Up

Crude Palm oil futures at Bursa Malaysia Derivatives settled slightly higher after a choppy session on Thursday. Benchmark March future settled up MYR4 at MYR1415 per ton. There was nothing-fresh phenomenal change in fundamentals. Volume of trading has thinned down, as people are engaged in settling accounts before closing of the year. So, moves at BMD have not been very logical. BMD futures at end of the day closed higher contrary to easy advices from the American continent.

#### BMD: CPO Futures (29.12.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1397	1396	1400	1395	1400	3	257
Feb 06	1407	1403	1411	1403	1411	4	331
Mar 06	1411	1408	1416	1407	1415	4	1333
Apr 06	1414	1410	1418	1410	1417	3	360
May 06	1419	NA	NA	NA	NA	NA	NA

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Palm oil markets continue to see downtrend in tune to easy advices from the overseas market. Prices of palm oil running low in international markets due to increase burden of inventories in Malaysia. Traders however are optimistic about its outlook for the first quarter of coming year as the production customarily as its production declines in origin countries. Demand for the same has been low from vanaspati manufactures.

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

Centres	29.12.05	28.12.05	Change
Kandla CPO (5 % FFA)	335	334	-1
Kandla RBD Palmolein	360	359	+1
Mumbai RBD Palmolein	369	371	-2
Chennai RBD Palmolein	372	374	-2
Kakinada RBD Palmolein	367	369	-2
Hyderabad RBD Palmolein	377	378	-1

#### Soy oil

Sentiments are weak in the soybean prices today. Arrivals of around 1,00,000 bags soybean seed was traded at Rs 1130-1140 per quintal and the plant delivery price of soybean was Rs 1170-1180 per quintal. Arrivals in Rajasthan were reported at 25,000 and were reported at Rs 1090 per quintal and in Maharashtra arrivals were around 70,000 bags traded at Rs 1070-1080 per quintal. Traders reported in decline of arrivals day by day. The demand for Soyabean seed from oil mills is good and of DOC is high. With improvement in demand and reduction in supplies the prices may improve in coming days.

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 \$ 478 per tonne.

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

Centres	29.12.05	28.12.05	Change
Mumbai (Soy Ref oil)+VAT	340	342	-2
Indore (Soy Ref oil)	339	340	-1
Indore (Solvent Ex. Oil)+VAT	313	313	-
Kota (Soy Ref. Oil)	350	350	-
Jaipur (Soy Ref. Oil)	351	353	-2

Nagpur (Soy ref. Oil)	340	342	-2
Chennai (Soy Ref Oil)	359	359	-
Hyderabad (Soy Ref)	362	364	-2
Rajkot (Soy Ref)	340	340	-

#### Rape/Mustard oil

Mustard seed markets seen dull trend. Mustard seed was traded at Rs 1470 per quintal in Kota and Rs 1700 per quintal in Jaipur. According to traders there is sufficient stock of mustard seed. There is around 17.5 lakh ton of mustard seed with NAFED and around 10 lakh ton with the stockists. Traders are expecting that the coming crop will be a bumper crop and its production is expected to cross 70 lakh ton this year. 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 the crop.

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

Centres	29.12.05	28.12.05	Change
Mumbai (Rape Expeller Oil)	370	368	+2
Kota (Rape Expeller Oil)	360	360	-
Jaipur (Rape Expeller Oil)	362	362	-
Delhi (Rape Expeller Oil)	380	383	-3
Neewai (Kachchi Ghani Rape Oil)	370	371	-1
Kota (Kachchi Ghani Rape oil)	380	380	-

#### Groundnut oil

Domestic markets prices of groundnut oil in Gujarat are slightly declined to Rs 455 per 10 Kg from Rs 460 Arrivals are reduced to 95,000 bags. Demand remained low in the major markets due to the increased availability of other competitive oils, which although are less priced but not of good quality. This year crop in major producing areas is feared to have damaged largely due to the excessive rains. This has been the only factor help-checking decline in its prices.

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

Centres	29.12.05	28.12.05	Change
Mumbai	438	438	-
Rajkot	450	453	-3
Andhra Region	440	445	-5
Chennai	450	450	-

#### Sunflower Oil

Due to good realization against groundnut than sunflower farmers this year were more inclined towards groundnut, which decreased the acreage for the sunflower as compared to last year. Crop this year was short as compared to last year. This is the major factor while availability of other cheap edible oils didn't let prices fall.

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

Markets	29.12.05	28.12.05	Change
Mumbai (Refine)	420	420	-
Mumbai (Crude oil)	385	385	-
Chennai (Refine)	465	465	-
Chennai (Crude)	405	405	-
Hyderabad (Refine)	435	435	-

#### Cotton Oil

Cotton oil markets continue to feature dull trend. Demand for the same remained subdued from the local consumption centers. Medium term outlook doesn't look promising for cotton oil.

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

Markets	29.12.05	28.12.05	Change
Mumbai	345	346	-1
Hyderabad	362	363	-1
Rajkot	338	335	+3

#### NBOT Soy oil futures as on 29.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	340.10	339.80	339.80	338.20	338.60	-1.5	25410
Feb '06	341.90	341.60	341.60	339.50	339.60	-2	8500

#### NCDEX Soy oil futures as on 29.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	335.80	340.60	340.70	338.75	338.80	4110	16660
Feb'06	338.05	343.05	343.10	343.10	341.00	4880	19680

#### Forex Rates

(As on 29.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.44
European Union	Euro	53.48
Japan	100 Yen	38.31
United Kingdom	Pound Sterling	77.76
Malaysia	Ringgit	11.96
China	CNY	5.59
Argentina	ARS	14.87
Brazil	BRL	19.29
Indonesia	1000 IDR	4.62

#### LATEST WEATHER WATCH (29.12.2005)

##### Chief Features

Cold wave conditions prevailed over parts of Marathwada, Gujarat and interior Karnataka where night temperatures were below normal by 4-5° C. They are likely to abate during next 1-2 days. The lowest minimum temperature

recorded in the plains of the country was 3.4° C at Amritsar (Punjab).

The upper air cyclonic circulation over south Tamil Nadu & neighbourhood persists and extends upto 3.1 km a.s.l.

#### Forecast valid for next 72 hours

**NORTH:** Isolated rainfall/snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Weather will be mainly dry over the rest region.

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

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

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

**Source:** IMD, GOI

#### PORT-WATCH (Latest):

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.

New Mangalore Port is receiving 15,189 MT of CPO from the vessel 'Global Venus'. Patvolk agents is handling the vessel.

Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'MMM Houston'. Seaport agents is handling the vessel. '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.

'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.

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Eos	5500	CPO	Expected
	Champion Ventura	8000	SBO	Arrived
	Gemini	8000	CPO	Expected
Kolkata	MMM Houston	6000	CPO	Arrived
	Montana Sun	21451	SBO	Arrived
Mumbai	Nolowati	10000	Palm Oil	Arrived
	Global Eos	7299	Palm Oil	Expected
Cochin	Spring Wind	4000	CPO	Expected
Chennai	Stolt Excellence	20000	SBO	Arrived
Mundra	Champion Ventura	20000	SBO	Arrived
New Manglore	Global Venus	8500	CPO	Expected

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