

## VEGOIL

December 23, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Slightly Up
- CBOT Soy Futures Settle Higher
- NCDEX January Soy Oil Settle Down

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD has rebounded from its signal line, negating any possible bearish signal.
2. %K line is has made bearish crossover with %D line, which indicates bearish market.
3. Close below 9 days and 18 days EMA indicates bearish trend.
4. Candlesticks pattern indicates bearish sentiments as the closing price is below than previous closing price.

Technical indicators indicates the bearish sentiments

**Market Advice:** Go short near 346.50, target=345.40, Stop loss=347.00

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	345.40	344.55	347.80	349.20

#### 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 Settle Higher

Soy future settled higher at Chicago Board of Trade on Thursday. March soybean settled higher 6.25 cents at \$ 6.2525 per bushels, 3.75 cents off the high and 7 up from the low and May soybean settled higher 7.25 cents at \$ 6.3425 per bushels, 8.25 up from the low and 2.25 cents off the high. March Soybean finished higher \$ 2.4 at \$ 203.6 /tonnes, \$ 3.9 up from the low and \$ 0.4 off the high. March Soybean Oil settled higher 0.21cents at 21.76 cents/pounds, 0.36 cents off the high and 0.2 cents up from the low. There is talk that the continuous dry weather in South America would bring negative impact on soybean production. Dry weather of South America helped in early buying support of US soybeans. US Department of Agriculture released weekly export sales report on Thursday. This report revealed that the export sales for soybeans came in at 829,800 metric tonnes as compared to trade expectations between 500,000-700,000. Higher export sales of soybean added positive tone in early session. Weekly US export sales for soybean meal came in at 84,100 metric tonnes as compared to trade expectations between 100,000-150,000. Weekly sales for oil came in at 400 metric tonnes as compared to trade expectations between 10,000-20,000. Census Bureau pegged November soybeans crushed at 151.52 million bushels as compared with trade expectations of 151.9 million bushels and 158.2 million bushels crushed in October. Meal stocks were 305,238 tonnes, which was in line with trade expectations and oil stocks were 1.9 billion pounds from 1.986 billion expected. There is talk that China bought 3 cargoes of US soybeans and 2 cargoes from South America added to the positive tone early.

#### CBOT Soy oil futures as 22.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	21.22	21.44	21.78	21.24	21.40	+0.18
Mar 06	21.55	21.78	22.12	21.56	21.76	+0.21
May'06	21.92	22.08	22.40	21.95	22.11	+0.19
Jul '06	22.26	22.40	22.80	22.25	22.40	+0.14
Aug'06	22.36	22.55	22.55	22.40	22.51	+0.15
Sep'06	22.45	22.68	22.68	22.55	22.61	+0.16
Oct '06	22.55	22.90	22.90	22.75	22.75	+0.20
Dec'06	22.80	23.25	23.25	22.95	23.02	+0.22

CBOT remains closed on Saturday and Sunday.

#### South American Soybeans Futures Settle Mildly Up

South American soybeans future settled slightly up on Thursday. March South American soybeans finished up 2 cents on Thursday session. Next week's price direction is depend on weather of South America. Dry weather in Southern America may decline soybean production. There is still uncertainty about the South American crop size. Selling pressure was active of new and old crop in the past

weak. There is talk that China bought 3 cargoes of US soybeans and 2 cargoes of South American soybeans helped to boost up the market yesterday. News that the Indonesia plans to cut export tax from 3% to 1.5% on palm oil, this news could slightly pressure in oil markets. Census Crush report revealed of November crush near 151.9 million bushels as against 158.2 million of October. Meal stocks are expected near 307,000 tonnes and oil stocks up to 1.986 billion pounds. US Department of Agriculture released weekly export sales report on Thursday. This report revealed that the export sales for soybeans came in at 829,800 metric tonnes as compared to trade expectations between 500,000-700,000. Higher export sales of soybean added positive tone in early session. Weekly US export sales for soybean meal came in at 84,100 metric tonnes as compared to trade expectations between 100,000-150,000. Weekly sales for oil came in at 400 metric tonnes as compared to trade expectations between 10,000-20,000. Census Bureau pegged November soybeans crushed at 151.52 million bushels as compared with trade expectations of 151.9 million bushels and 158.2 million bushels crushed in October. Meal stocks were 305,238 tonnes, which was in line with trade expectations and oil stocks were 1.9 billion pounds from 1.986 billion expected. There is talk that China bought 3 cargoes of US soybeans and 2 cargoes from South America added to the positive tone early.

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

Crude Palm oil Futures at Bursa Malaysia Derivatives settled slightly higher today. Benchmark March future settled up MYR4 at MYR1415 per ton. In fact, market had nothing in fresh to move futures either side of unchanged levels. Traders are expecting demand for palm oil to improve early next month from China for their New Year festival. Situation of stock although is burdensome, traders feel that prices might have bottomed out and see meager chances of big declines ahead.

#### BMD: CPO Futures (23.12.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1398	1400	1410	1397	1403	+5	465
Feb 06	1406	1408	1420	1405	1412	+6	2253
Mar 06	1411	1412	1424	1410	1415	+4	3065
Apr 06	1414	1417	1428	1414	1418	+4	565
May 06	1421	N.A	N.A	N.A	N.A	0	N.A

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Palm oil prices at domestic market were lacklustre. Palm oil prices were lacklustre due to huge availability of other edible oil in the market. There was no fresh news to push the market sentiments. Situation of palm oil stock is burdensome; traders feel that prices might have bottomed out and see meagre chances of big declines ahead. Market sentiments are expected to move range bound.

FOB prices of CPO (January) were last quoted at \$ 352.50 per tonne and RBD Palmolein at \$ 387.50 per tonne.

**Palm oil - Spot Market Price (Rs. per 10 kg]**

Centres	23.12.05	22.12.05	Change
Kandla CPO (5 % FFA)	335	335	0
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	371	370	+1
Chennai RBD Palmolein	376	374	+2
Kakinada RBD Palmolein	370	371	-1

**Soy oil**

Today domestic soy oil prices went up slightly. Total arrivals of soybeans were 75,000-80,000, 38,000-40,000 and 65,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 10,000 bags only. Arrivals of soybeans are slightly declined today as compared to previous day. However, January soyoil prices opened firm and slightly declined later on at NCDEX. January Soy future settled higher at Chicago Board of Trade. Market sentiments are expected to move range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 330 per 10 kg. CNF prices for soy degum (January Shipment) at Kandla were quoted at \$ 485 per tonne.

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

Centres	23.12.05	22.12.05	Change
Mumbai (Soy Ref oil)	359	358	+1
Indore (Soy Ref oil)	343	342	+1
Indore (Solvent Ex. Oil)+VAT	317	316	+1
Kota (Soy Ref. Oil)	351	347	+4
Jaipur (Soy Ref. Oil)	354	352	+2
Nagpur (Soy ref. Oil)	346	345	+1
Chennai (Soy Ref Oil)	361	360	+1

**Rape/Mustard oil**

Domestic market prices of mustard oil range bound with positive sentiments. Arrivals of mustard seeds were 500 bags in Neewai market. Mustard seeds price were quoted in range of Rs 1530-1540 in Kota and Rs 1720-1725 in Jaipur Mandi. Mustard seed prices are slightly improved. It is expected to buy about 15-20 lakh of new mustard seeds from NAFED. Mustard oil prices are slightly improved due to improvement of soy oil price in domestic market. These factors may help to improve mustard oil prices in near term. Market sentiments are expected to range bound with positive sentiments.

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

Centres	23.12.05	22.12.05	Change
Mumbai (Rape Expeller Oil)	370	370	0
Kota (Rape Expeller Oil)	360	358	+2
Jaipur (Rape Expeller Oil)	363	362	+1
Delhi (Rape Expeller Oil)	385	385	0
Neewai (Kacchi Ghani Rape Oil)	375	375	0

**Groundnut oil**

Domestic market prices of groundnut oil were unchanged. Arrivals in Gujarat were at about 1.20 lakh bags (1 bag=35 kg). GN oil prices may go down further only because the availability of other cheap oil in the market like soybean and cotton oil. There were good arrivals of groundnut seeds and moderate demands of GN oil at retail ends. GN oil prices are expected to move range bound with weak sentiments in most of the markets. GN oil prices in Gujarat are expected to move range bound with weak sentiments.

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

Centres	23.12.05	22.12.05	Change
Mumbai	442	442	0
Rajkot	455	455	0
Andhra Region	445	445	0
Chennai	445	445	0

**Sunflower Oil**

Spot market prices of Sunflower oil in Mumbai slightly declined due to huge availability of other edible oil at cheaper rate in the markets like cotton oil and soybean oil. CIF sunflower is slightly declined \$ 568/ton from \$571/ton at Kandla port. Major producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. Sunflower oil prices are expected to move range bound with weak sentiments in near term.

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

Markets	23.12.05	22.12.05	Change
Mumbai	422	424	-2
Chennai	475	475	0

**NBOT Soy oil futures as on 23.12.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan'06	345.90	346.70	347.70	345.40	345.50	-0.40	30520
Feb'06	348.30	349.50	350.30	347.90	347.90	-0.40	2770

**NCDEX Soy oil futures as on 23.12.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	347.15	347.50	348.40	346.05	346.30	3900	17100
Feb'06	349.80	350.30	351.05	348.75	349.10	2820	14170

**LATEST WEATHER WATCH (23.12.2005)****Forecast valid for next 72 hours**

**NORTH : Rain/snow** likely at **isolated places** over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. **Isolated** rain /thundershowers likely over Uttar Pradesh during next 24 hours. Weather will be mainly dry in the rest region.

**EAST : Rain/thundershowers** likely at **a few places** over northeastern states and **isolated** over the rest region during next 1-2 days.

**SOUTH :** Rain/thundershowers likely at a few places over Andaman & Nicobar islands and **isolated** over coastal Tamil Nadu & Pondicherry, Andhra Pradesh and Kerala. Weather will be **Mainly dry** in the rest region.

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

**Source:** IMD, GOI

### PORT-WATCH (Latest):

'Cochin Port is receiving 3,000 MT of palm oil from the vessel 'Fima Satu'. Interocean agents is handling the vessel.

Delivery of 6,250 MT of CPO is continuing at Kolkata Port from the vessel 'Khadijah'. Atlantic 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. Kolkata Port is receiving 6,000 MT of CPO from the vessel 'Pacific Sound'. Atlantic agents is handling the vessel.

Kandla Port is expecting 'Champion Ventura' from Argentina to deliver 8,000 MT of SBO. The vessel will be handled by Interocean agents. 'Global Eos' from Indonesia is expected at the port to deliver 5,500 MT of CPO. Forbes Gokak agents will be handling the vessel. The port is expecting 'Gemini' from Dumai to deliver 8,000 MT of CPO. The vessel will be handled by JM Baxi agents.

Mumbai Port is expecting 'Nolowati' to deliver 10,000 MT of palm oil. The vessel will be handled by JM Baxi agents.

Delivery of 6,500 MT of palm oil is expected at Chennai Port from the vessel 'Hua Yun 5'. Seaport 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	Expected
	Gemini	8000	CPO	Expected
Kolkata	Pacific Sound	6000	CPO	Arrived
	Montana Sun	21451	SBO	Arrived
	Khadijah	6250	CPO	Arrived
Mumbai	Nolowati	10000	Palm Oil	Expected
Cochin	Fima Satu	3000	Palm Oil	Arrived
Chennai	Hua Yun 5	6500	Palm Oil	Expected

### Forex Rates

(As on 23.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.16
European Union	Euro	53.62
Japan	100 Yen	38.73
United Kingdom	Pound Sterling	78.52
Malaysia	Ringgit	11.96

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