

VEGOIL

December 14, 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Lower
- CBOT Soy Futures Continue Posting Gains

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD has turned downward and touched signal line from above, which indicate bearish sentiments.
2. %K line is moving upwards after making bullish crossover with %D line and heading towards neutral region supporting the bullish sentiments in the market.
3. Close far below 9 days and 18 days EMA indicates medium term bearish trend.
4. Candlesticks pattern shows bearish market sentiment.

Indicators are showing bearish sentiments in the market.

Market Advice: Market sentiments are expected to move range bound with weak sentiments. Go short at 348 with target 46.50, put stop loss at 348.60.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	346.70	345.30	349.00	350.10

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 Continue Posting Gains

Soy futures settled slightly higher at Chicago Board of Trade on follow-through firm mood. January soybeans settled higher 13.5 cents at \$5.975 per bushels and March soybeans were 19.34 cents per bushel. March soy meal settled higher \$ 5.8 at \$195.5 per tonnes, \$7.2 up from the low and \$1.00 off the high. March soybean oil closed higher 3 cents at 21.4 cents/pounds. Increased dryness in Argentina also helped improving sentiments. However, regular concern over rising end-stock of US soybean and likely switching of attention of international buyers towards South America continued curbing northwardly dispositions. NOPA will be releasing its crush report on Wednesday. Traders are expecting soybean crush in November to come in the range of 147-150 million bushels.

CBOT Soy oil futures as 13.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	20.87	20.85	20.95	20.70	20.90	+0.03
Jan'06	21.02	21.07	21.21	20.88	21.05	+0.03
Mar'06	21.37	21.42	21.58	21.24	21.40	+0.03
May'06	21.7	21.80	21.90	21.58	21.75	+0.05
Jul'06	22.06	22.10	22.25	21.87	22.05	-0.01
Aug'06	22.18	22.40	22.40	22.03	22.16	-0.02
Sep'06	22.3	22.35	22.50	22.17	22.27	-0.03
Oct'06	22.45	22.70	22.70	22.30	22.38	-0.07

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Higher

South American soybean future settled higher on the session yesterday. March South American soybean settled 18 cents up on Tuesday. There were bit dryness in South America as compared to normal weather, but it seems that it could not bring any impact yet. News spread that Brazil and Argentina's soybeans are in competition rather than US soybeans for January and march shipment. China is going to buy South American soybean for January shipments and South Korea bought 57750 metric tonnes of Brazilian soybeans last week for February-march shipments. However, this period were considered as a strong export period for US soybean than normal periods. There was a bearish USDA supply and Demand report on Friday. The weekly export sales inspection report revealed 16.6 million bushels as compared to traders expectation range were at 25.34 million bushel. The above-mentioned factors helped to boost up the South American Soybeans.

Crude Palm Oil Futures at BMD Settle Lower

Crude Palm oil futures at Bursa Malaysia Derivatives settled slightly low despite overnight firm closing of soy futures at Chicago Board of Trade. Benchmark February future settled off MYR10 at MYR1397 per ton. Palm oil markets in fact had nothing pushy to stay higher. Traders are concerned about the production pace. There were talks that production of palm oil might not decline in December as per customary trend. Rather, traders are expecting production to remain up in December on month basis. Traders are expecting fresh leads from the export data for first 15 days to be released by cargo surveyor, SGS tomorrow.

BMD: CPO Futures (14.12.2005)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1385	1380	1385	1380	1380	-5	64
Jan '06	1400	1401	1402	1389	1390	-10	691
Feb '06	1407	1409	1409	1396	1397	-10	2365
Mar '06	1410	1412	1412	1396	1399	-11	1496
Apr '06	1412	1406	1406	1405	1405	-7	45

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were lacklustre. There is no news right now to push the market sentiments. Trader expectation is that the production of Malaysian palm oil will increase in this month, however earlier it was expected to decline. Traders are waiting for 15 days export report of Malaysian palm oil from SGS,Bhd. These factors shows the bearish sentiments. Market sentiments are expected to move range bound with weak sentiments.

FOB prices of CPO (December) were last quoted at \$ 355 per tonne and RBD Palmolein at \$ 385 per tonne.

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

Centres	14.12.05	13.12.05	Change
Kandla CPO (5 % FFA)	337	338	-1
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	372	373	-1
Chennai RBD Palmolein (Ruchi)	375	375	0
Chennai RBD Palmolein (MRaja)	380	-	-
Kakinada RBD Palmolein	374	375	-1

Soy oil

Domestic spot market prices of soy oil range bound with weak sentiments. The arrivals of soybeans are slightly increased in Madhya Pradesh. Total arrivals of soybeans were 1,50,000, 50,000-60,000 and 40,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 12000 bags only. January soy oil prices were settled moderately lower in NCDEX and NBOT. January palm oil prices were settled down in KLCE. Market sentiments are expected to move range bound with weak sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 332 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 498 per tonne.

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

Centres	14.12.05	13.12.05	Change
Mumbai (Soy Ref oil)	359	359	0
Indore (Soy Ref oil)	340	342	-2
Indore (Solvent Ex. oil)+VAT	317	318	-1
Kota (Soy Ref. Oil)	345	347	-2
Jaipur (Soy Ref. Oil)	348	350	-2
Nagpur (Soy ref. Oil)	345	345	0

Rape/Mustard oil

Domestic market prices of mustard oil slightly declined. There is direct relationship of mustard oil and soybean oil. Soy oil and mustard oil are substitute of each other. There is news that traders are mixing soy oil in mustard oil only because the soy oil prices are cheaper than mustard oil. Spot market prices at Jaipur were quoted Rs 1700/ql. Arrivals of mustard seed were 500-700 bags at Neewai market. News that the harvesting of toria is started in Punjab, however sowing area and production of toria is very nominal in comparison to mustard/rapeseeds. Market sentiments of mustard oil prices are expected to move range bound with weak sentiments.

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

Centres	14.12.05	13.12.05	Change
Mumbai (Rape Expeller Oil)	374	375	-1
Kota (Rape Expeller Oil)	355	358	-3
Jaipur (Rape Expeller Oil)	360	362	-2
Delhi (Rape Expeller Oil)	382	385	-3
Neewai (Kacchi Ghani Rape Oil)	371	372	-1

Groundnut oil

Domestic market prices of Groundnut oil were lacklustre in most of the markets. There were low buying demands of GN oil at retail ends. Arrivals of groundnut in Gujarat were at 1.30 lakh bags (1 bag=35 kg). There are good arrivals of groundnut in Andhra and Chennai market. GN oil prices are expected to move range bound with weak sentiments in most of the markets.

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

Centres	14.12.05	13.12.05	Change
Mumbai	448	450	-2
Rajkot	450	450	0
Andhra Region	445	445	0
Chennai	445	445	0

Sunflower Oil

Spot market prices of Sunflower oil were slightly declined in Chennai market only because the import of sunflower oil is arrived at Chennai port. Major producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. CIF prices for sunflower oil at Kandla port were US \$ 571/ton. Sunflower oil prices are expected to move range bound.

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

Markets	14.12.05	13.12.05	Change
Mumbai	432	432	0
Chennai	475	477	-2

NBOT Soy oil futures as on 14.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	341.6	N.A	340.8	N.A	340.8	-0.8	N.A
Jan '06	348.3	347.8	348.3	346.6	347.5	-0.8	26690

NCDEX Soy oil futures as on 14.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	343.70	343.00	343.00	341.50	342.00	1320	9150
Jan 06	349.60	348.80	349.50	347.55	348.00	5550	17010

LATEST WEATHER WATCH (14.12.2005)

Forecast valid for next 72 hours

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

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers likely at isolated over Tamil Nadu. Weather will be mainly dry over the rest region. Weather activity over Coastal Tamil Nadu is likely to increase from 16th.

WEST: Mainly dry weather over the region.

Source: IMD, GOI

PORT-WATCH (Latest):

Delivery of 16,450 MT of SFO is continuing at Chennai Port from the vessel 'Montana Sun'. The vessel is being handled by JM Baxi agents.

'Siam Pavinee' has berthed at Tuticorin Port and continues to load 3,500 MT of SBO. Atlantic agents is handling the vessel.

Delivery of 6,500 MT and 3,100 MT of CPO is continuing at New Mangalore Port from the vessels 'L Star' and 'Bumik'. Seaworld and Interocean agents are handling the vessels respectively.

'Cheras' has berthed at Mundra Port and continues to load 6,000 MT of CPO. Seaport agents will be handling the vessel.

Mumbai Port is expecting 'Bumik' and 'Nolowati' to deliver 4,103 MT and 10,000 MT of palm oil respectively. These vessels will be handled by Interocean and JM Baxi agents.

'Vernal Grace' is expected at Kandla Port to deliver 6,000 MT of palm oil. GAC agents will be handling the vessel.

'Thressa II' from Indonesia delivered 3,980 MT of CPO at Kandla Port and sailed off. The vessel was handled by Taurus agents.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Thressa II	3980	CPO	Arrived
	Vernal Grace	6000	Palm Oil	Expected
Chennai	Montana Sun	16450	SFO	Arrived
Mumbai	Bumik	4103	Palm Oil	Arrived
	Nolowati	10000	Palm Oil	Arrived
Mundra	Cheras	6000	CPO	Arrived
Tuticorin	Siam Pavinee	3500	SBO	Arrived
New Manglore	Bumik	3100	CPO	Arrived
	L Star	6500	CPO	Arrived

Forex Rates

(As on 14.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.06
European Union	Euro	55.08
United Kingdom	Pound Sterling	81.67
Japan	100 Yen	38.41
Malaysia	Ringgit	12.11

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