

## VEGOIL

December 01, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Higher
- BMD CPO Futures End Down

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD returned after making bearish crossover with its signal line and is pointing upward, which negates the bearish trend.
2. Stochastic indicator is just turned upward and %K line is about to make bullish crossover with %D line, which indicates possibility of trend reversal.
3. Close below 9 days EMA and 18 days EMA shows bearish market sentiments.

**Market Advice:** The market is in indecisive position, and is expected to remain range bound with some bullish touch.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	348.50	347.00	350.10	351.20

#### 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 futures at Chicago Board of Trade settled higher on ideas of oversold market. January soybean future settled up 4 cents at \$5.58 and March up 4.75 at \$5.6625 per bushel. March soymeal settled up \$1.3 at \$173.5 per short ton and March soybean oil up 2 points at 21.64 cents per pound. Traders relate firming up in futures with improved cash basis. Growers are holding back due to poor realization for their soybean in the local markets. There were talks of fresh Chinese interest for soy. However, majority still suspicious of Chinese demand following reports of more deaths due to bird flu. Traders are expecting weekly export sale of soybean to range 3.00-6.50 lakh ton. Export of US soymeal is expected between 0.75-1.50 lakh ton and Soyoil between 5000-15000 ton.

#### CBOT Soy oil futures as 30.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	20.95	21.00	21.05	20.80	21.05	0.10
Jan'06	21.17	21.17	21.30	21.00	21.29	0.12
Mar'06	21.44	21.42	21.67	21.30	21.64	0.20
May'06	21.73	21.75	21.93	21.65	21.93	0.20
Jul'06	21.98	22.03	22.18	21.93	22.16	0.18
Aug'06	22.10	22.28	22.28	22.08	22.25	0.15

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Ends Down on Weak Fundamentals

South American soybean future settled lower notwithstanding downtrend in CBOT soy on Wednesday. March South American soybean settled 3 cents lower at \$5.935 per bushel. Growers are reluctant to sell soybean to crushers, which led to firming up of its prices in Paranagua. On the other side, plants also are not active buyers due to poor margins. Improved weather outlook and slowed Chinese demand were the regular negative factors. People are losing hopes for appreciation in energy prices. Now, if weather goes smooth, South America will be harvesting record 98.5 million ton soybean in next four months.

#### BMD Crude Palm Oil Futures End Down

Crude Palm oil futures at Bursa Malaysia Derivatives settled lower on continued concern over rising stock. Benchmark February future settled off MYR4 at MYR1287 per ton. Though seasonal decline in production has started, traders are worried about pace of export. Demand for palm oil has declined significantly from the Asian continent. According to Cargo Surveyor, SGS, MPO export to China

during November totaled at 2.09 lakh ton, down against 2.84 lakh ton export in October. Export to India and Pakistan also has declined significantly. Export to Pakistan totaled at 63,300 ton (down against 118,100 ton in Oct) and India 37,250 ton (44,753 ton). Indian markets are depressed due to increased availability of other veg oil. Inventories of soyoil in India have been saturated due to hefty import of soyoil last year.

#### BMD: CPO Futures (01.12.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1389	1386	1388	1380	1388	-1	319
Jan '06	1392	1395	1395	1380	1386	-6	1430
Feb '06	1391	1395	1395	1380	1387	-4	2480
Mar '06	1393	1393	1394	1381	1387	-6	548
Apr '06	1394	1393	1393	1384	1384	-10	69

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Palm oil prices at domestic spot market were lacklustre. Malaysian Palm oil export during November 2005 totaled at 1.03 million ton, down against 1.24 million ton of export in October 2005, it is down by 16.78 per cent. India imported 37,250 metric ton in November 2005 as compared to 44,753 metric ton of October 2005. Palm oil prices are expected range bound.

FOB prices of CPO (December) were last quoted at \$ 352.50 per tonne and RBD Palmolein at \$ 392.50 per tonne.

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

Centres	01.12.05	30.11.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	374	374	0
Chennai RBD Palmolein	375	378	-3
Kakinada RBD Palmolein	375	374	+1

#### Soy oil

Domestic spot markets of soy oil prices range bound with positive market sentiments. Soybean oil prices are stable due to good arrival and buying demand at the retail end. Total arrivals of soybeans were 1.50 -1.75 lakh, 1.00 lakh and 1.00 lakh bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandies were 8000-10000 bags only. December soy oil prices settled slightly higher at the end of the day in NCDEX and NBOT. An international scenario is that the favourable weather for soybean in South America and Low demand of soybean from China, which indicates bearish market. Soy oil prices at domestic market expected range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 333 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 505 per tonne.

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

Centres	01.12.05	30.11.05	Change
Mumbai (Soy Ref oil)	363	363	0
Indore (Soy Ref oil)	344	343	+1
Indore (Solvent Ex. oil)+VAT	317	318	-1
Kota (Soy Ref. Oil)	348	348	0
Jaipur (Soy Ref. Oil)	352	350	+2
Nagpur (Soy ref. Oil)	343	343	0

**Rape/Mustard oil**

Domestic market sentiments of mustard oil marginally declined in most of the markets amidst low buying demands at retail ends. Rape seed acreage (Rabi season) increased by 11% in India. Good arrival of soybean may be one factor for marginally declined in mustard oil prices. There is another important factor for decline of mustard oil prices is that the reduced rate of mustard seed due to huge stock of mustard seeds with NAFED and private stockist. Market sentiments of mustard oil prices are expected to weak due to above-mentioned factors.

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

Centres	01.12.05	30.11.05	Change
Mumbai (Rape Expeller Oil)	382	382	0
Kota (Rape Expeller Oil)	372	372	0
Jaipur (Rape Expeller Oil)	377	375	+2
Delhi (Rape Expeller Oil)	375	380	-5
Neewai (Kacchi Ghani Rape Oil)	377	380	-3

**Groundnut oil**

Domestic spot markets prices of groundnut oil were likely unchanged except Rajkot market. The GN oil prices increased in Rajkot (Gujarat) due to increasing buying demand at retail end and arrival of groundnut seeds is marginally declined in markets. Arrivals of groundnut in Gujarat were remains at 1.40 lakh bags (1 bag=35 kg). GN oil prices in Chennai and Andhra are remains low only because the harvesting of new crop is started in Tamil Nadu and Andhra. More supply of groundnut may bring negative impact on its prices. Market sentiments of GN Oil are expected range bound.

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

Centres	01.12.05	30.11.05	Change
Mumbai	457	458	-1
Rajkot	462	457	+5
Andhra Region	455	455	0
Chennai	440	440	0

**NBOT Soy oil futures as on 01.12.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	346.2	347	347.9	346.2	347.9	+1.70	14040
Jan '06	352.4	353.2	354.4	352.7	354.4	+2.00	7190

**NCDEX Soy oil futures as on 01.12.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	347.60	348.00	349.30	347.50	349.10	4080	18540
Jan 06	353.05	353.70	355.35	353.20	355.25	2790	11600

**LATEST WEATHER WATCH (01.12.2005)**
**Forecast valid for next 72 hours**

**NORTH:** Isolated rainfall/snowfall is likely over higher reaches of Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Mainly dry weather is likely over the rest region. Minimum temperature over western Himalayas and adjoining plains of northwest India are likely to fall during next 2-3 days leading to cold wave conditions.

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

**SOUTH:** Rain/thundershowers likely at a few places over extreme north Tamil Nadu, Coastal Andhra Pradesh, Andaman & Nicobar Islands and Lakshadweep and isolated over rest Tamil Nadu, Rayalaseema and Kerala. Rainfall activity over Tamil Nadu & Pondicherry, Rayalaseema and Coastal Andhra Pradesh is likely to increase from tomorrow when rains are likely at many places with heavy to very heavy falls at a few places for subsequent 2-3 days. Isolated to scattered rainfall also likely over Karnataka from tomorrow.

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

**Warning**

1. Isolated to scattered heavy to very heavy rainfall likely over north coastal Tamil Nadu & Pondicherry and Coastal Andhra Pradesh from tomorrow for next 2-3 days.

2. Strong winds with speed reaching 80-90 kmph likely along & off north Tamil Nadu and south Andhra Pradesh coasts from tomorrow. State of sea will be high to very high. Fishermen are advised not to venture into the sea along the above coasts.

Source: IMD, GOI

**Forex Rates (As on 01.12.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.99
European Union	Euro	54.21
United Kingdom	Pound Sterling	79.55
Japan	100 Yen	38.38
Malaysia	Ringgit	12.16

## PORT-WATCH (Latest):

### Edible Oil

Delivery of 8,480 MT of CPO is continuing at Kandla Port from the vessel 'West Gold'. The cargo was carried from Indonesia. Interocean agents is handling the vessel. 'Olympic' from Belawan is expected at the port to deliver 7,500 MT of CPO. Interocean agents will be handling the vessel. 'Jian She 35' from Malaysia is expected at Kandla Port to deliver 6,000 MT of CPO. The vessel is being handled by Taurus agents.

Kolkatta Port is receiving 4,500 MT of CPO from the vessel 'Team Ace'. The vessel is being handled by Atlantic agents. Delivery of 10,000 MT of SBO is continuing at Kolkata Port from the vessel 'Gulf Dove'. PBSA agents is handling the vessel.

Kakkinada Port is expecting 'Ace I' and 'Istana VI' to deliver 6,000 MT and 5,000 MT of CPO respectively. 'Vernal Grace' delivered 6,000 MT of CPO at the port and sailed off.

'Tirta Niaga 2' and 'Monor Jackson' are expected at Chennai Port to deliver 2,780 MT and 6,000 MT of palm oil respectively. Interocean and Seaport agents will be handling these vessels.

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kakkinada	Vernal Grace	6000	CPO	Arrived
	Ace 1	6000	CPO	Expected
	Istana VI	5000	CPO	Expected
Kolkata	Team Ace	4500	CPO	Arrived
	Gulf Dove	10000	SBO	Arrived
Kandla	West Gold	8480	CPO	Arrived
	Olympic	7500	CPO	Expected
	Jian She 35	6000	CPO	Expected
Chennai	Tirta Niaga 2	2780	Palm Oil	Expected
	Monor Jackson	6000	Palm Oil	Expected

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