

## VEGOIL

December 27, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Oil Settle Down
- BMD CPO Futures Settle Marginally Down

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD is moving downwards crossed its signal line from above, indicating bearish sentiments.
2. Stochastic moving downwards in negative territory, which indicates bearish sentiments.
3. Close far below 5 days and 7 days EMA indicates bearish trend.
4. Candlesticks pattern indicates bearish sentiments.

Technical indicator shows bearish market sentiments.

**Market Advice:** Market is expected to move range bound with weak sentiments. Go short with caution.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	342.40	341.00	345.70	346.50

#### 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 closed (Due to Christmas Day).

#### CBOT Soy oil futures as 23.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	21.40	21.40	21.55	21.17	21.28	-0.12
Mar '06	21.76	21.73	21.87	21.52	21.61	-0.15
May '06	22.11	22.00	22.22	21.86	21.98	-0.13
Jul '06	22.40	22.35	22.56	22.23	22.31	-0.09
Aug '06	22.51	22.55	22.55	22.45	22.45	-0.06
Sep '06	22.61	22.66	22.66	22.50	22.53	-0.08
Oct '06	22.75	22.80	22.80	22.75	22.75	0.00
Dec '06	23.02	23.05	23.05	22.85	23.00	-0.02

CBOT remains closed on Saturday and Sunday.

#### BMD CPO Futures Settle Marginally Down

Crude Palm oil futures at Bursa Malaysia Derivatives settled steady to lower amid directionless trade. Benchmark March future settled unchanged at MYR 1415 per ton. Market in fact had no clear direction. Continued concern over rising stock rendered bearish tilt to the market. Only supportive factor is gradual cut in inventories likely along with seasonal decline in its production. Demand for the same has been low from the Asian nations, so far. Gloomy outlook for its traditional rival soy also continued to weigh on its values. Perspective of soy is not very bright unless until something goes really wrong with coming crop of South America. There have been reports of stressed weather situation in Argentina. However, no serious threat has been bellowed for Argentina weather so far.

#### BMD: CPO Futures (27.12.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1403	1407	1407	1400	1400	-3	230
Feb 06	1412	1415	1419	1408	1410	-2	359
Mar 06	1415	1417	1423	1411	1415	0	1527
Apr 06	1418	1423	1424	1414	1415	-3	107
May 06	1425	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 lackluster. There is huge availability of other edible oils in the market like soy oil and cotton oil. There was no fresh news to boost up the market sentiments. Rabi oilseeds sowing acreage is increased, it is added bearish tone in edible oil. Market sentiments are expected to move range bound.

FOB prices of CPO (January) were last quoted at \$ 355 per tonne and RBD Palmolein at \$ 392.50 per tonne.

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

Centres	27.12.05	26.12.05	Change
Kandla CPO (5 % FFA)	335	336	-1
Kandla RBD Palmolein	360	N.A.	-
Mumbai RBD Palmolein	371	Closed	-
Chennai RBD Palmolein	375	374	+1
Kakinada RBD Palmolein	370	370	0
Hyderabad RBD Palmolein	380	380	0

#### Soy oil

Today domestic soy oil prices remain slightly weak in most of the markets amidst low demand at retail ends. Arrivals of Soybean are slightly increased in Madhya Pradesh as compared to previous day. Total arrivals of soybeans were 100,000-125,000, 35,000-40,000 and 65,000-70,000, 30,000-35,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra, Rajasthan and Gujarat mandies respectively. Arrivals of soybean in Kota mandi were 8,000 bags only. January soyoil prices settled down on NCDEX and NBOT. KLCE future prices settled marginally low. Import of soybean oils is imported to 20000 MT at Chennai port today. Market sentiments are expected to move range bound with weak sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 329 per 10 kg. CNF prices for soy degum (January Shipment) at Kandla were quoted at \$ 482 per tonne.

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

Centres	27.12.05	26.12.05	Change
Mumbai (Soy Ref oil)+VAT	344	Closed	-
Indore (Soy Ref oil)	342	342	0
Indore (Solvent Ex. Oil)+VAT	316	N.A.	0
Kota (Soy Ref. Oil)	350	350	0
Jaipur (Soy Ref. Oil)	352	353	-1
Nagpur (Soy ref. Oil)	344	346	-2
Chennai (Soy Ref Oil)	359	360	-1
Hyderabad	364	365	-1

#### Rape/Mustard oil

Domestic market prices of mustard oil range bound with weak sentiments. Arrivals of mustard seeds were remain about 400-500 bags in Neewai market. Mustard seeds prices were quoted in range of Rs 1510-1530 and 1705-1715 in Kota and Jaipur Mandi respectively. NAFED already hired two mills in Haryana for crushing of mustards/rapeseeds. NAFED is paying Rs 1325/ton for crushing of mustard seeds. There is news that Rajasthan Government is requested to NAGED for buying 15-20 lakhs tonnes of mustard seeds in this season. Mustard/rapeseeds sowing acreage has increased to 70.43 lakh hectares from 65.72 lakh hectare as compared to last year, it is up by 7.17 per cent. Market sentiments are expected to range bound.

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

Centres	27.12.05	26.12.05	Change
Mumbai (Rape Expeller Oil)	370	Closed	-
Kota (Rape Expeller Oil)	360	360	0
Jaipur (Rape Expeller Oil)	362	362	0
Delhi (Rape Expeller Oil)	382	385	-3
Neewai (Kachchi Ghani Rape Oil)	372	373	-1
Kota (Kachchi Ghani Rape oil)	380	-	-

**Groundnut oil**

Domestic market prices of groundnut oil in Gujarat is slightly improved to Rs460 per 10 Kg from Rs450-55 as compared to day before yesterday due to increasing demands at retail ends, however GN oil prices are steady as compared to last day. GN oil prices in Gujarat is expected to gradual improvement in coming days due to increasing demands at retail ends during this period. Arrivals in Gujarat were at about 1.00 lakh bags (1 bag=35 kg). There were good arrivals of groundnut and moderate demands of GN oil at retail ends in Andhra and Rajkot mandi. Prices of GN oil were unchanged in Andhra and Chennai market. GN oil prices are expected to remain steady in most of the markets.

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

Centres	27.12.05	26.12.05	Change
Mumbai	444	Closed	-
Rajkot	460	462	-2
Andhra Region	445	445	0
Chennai	450	450	0

**Sunflower Oil**

Spot market prices of sunflower oil in Chennai slightly declined due to huge availability of other edible oil at low prices in the markets like cotton oil, soybean oil and palm oil. News is that the recently sunflower oil is imported by India at kakinada ports. CIF sunflower is also declined \$ 567/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 Oil: Spot Market prices (Rs/10 Kg)**

Markets	27.12.05	26.12.05	Change
Mumbai (Refine)	420	Closed	-
Mumbai (Crude oil)	385	Closed	-
Chennai (Refine)	465	475	-10
Hyderabad (Refine)	435	435	0

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

Markets	27.12.05	26.12.05	Change
Mumbai	348	-	-
Hyderabad	365	-	-
Rajkot	340	-	-

**NBOT Soy oil futures as on 27.12.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	345.00	345.50	345.50	342.50	342.70	-2.30	25530
Feb '06	347.20	347.30	347.40	344.70	344.90	-2.30	9500

**NCDEX Soy oil futures as on 27.12.2005 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	345.60	346.65	346.65	343.25	343.70	4490	16460
Feb'06	348.20	348.90	349.00	345.55	346.05	3990	15890

**LATEST WEATHER WATCH (27.12.2005)****Chief Features**

Cold wave conditions prevailed over parts of East Madhya Pradesh, Vidarbha, Marathawada, Gujarat, Telanagana and interior Karnataka where night temperatures were below normal by 4-5°C. They are likely to abate during next 2 days. The lowest minimum temperature recorded in the plains of the country was 2.8° C at Amritsar (Punjab).

A trough of low pressure over Andaman Sea persists. It is likely to cause scattered rainfall over the Bay islands during next 2 days.

A western disturbance lies over north Pakistan & adjoining Jammu & Kashmir as an upper air system. It may cause isolated to rainfall/snowfall over western Himalayas during next 48 hours.

**Forecast valid for next 72 hours**

**NORTH:** Isolated rain/snow likely over Jammu & Kashmir and Himachal Pradesh. Isolated light rain may also occur over Punjab.

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

**SOUTH:** Rain/thundershowers likely at a few places over Andaman & Nicobar islands. Weather will be Mainly dry in the rest region.

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

**Source:** IMD, GOI

**PORT-WATCH (Latest):**

Kandla Port is receiving 8,000 MT of SBO from the vessel 'Champion Ventura'. The cargo was loaded from Argentina. The vessel is being handled by Intercean 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 receiving 10,000 MT of palm oil from the vessel 'Nolowati'. The vessel is being handled by JM Baxi agents. 'Global Eos' from Indonesia is expected at the port to deliver 7,299 MT of palm oil. Forbes Gokak agents will be 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. New Manglore Port is expecting 'Global Venus' to deliver 8,500 MT of CPO. Patvolk 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

#### Forex Rates

(As on 27.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.20
European Union	Euro	53.50
Japan	100 Yen	38.55
United Kingdom	Pound Sterling	78.21
Malaysia	Ringgit	11.95
China	CNY	5.59
Argentina	ARS	14.96
Brazil	BRL	19.33
Indonesia	1000 IDR	4.59

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