

## VEGOIL

December 13, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Lower
- CBOT Soy Futures Settle Higher

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD has turned upward and about to make bullish crossover with its signal line. Bullish reversal is yet to be confirmed.
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 below 9 days and 18 days EMA indicates medium term bearish trend to continue.
4. Candlesticks has formed short day pattern indicating indecisiveness in the market sentiment.

Indicators are showing mixed sentiments in the market.

**Market Advice:** Market seems indecisive with bullish undertone.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	342.30	340.70	345.20	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 Soy Futures Settle Higher

Soy futures at Chicago Board of Trade settled higher on hopes of fresh demand for soybean from China. January soybean future settled up 15.25 cents at \$5.84 and March up 16 cents at \$5.945 per bushel. March soymeal settled up \$8 at \$189.7 per short ton and March soybean oil up 13 points at 21.37 cents per pound. Weekly export inspection for US soybean was put at 16.6 million bushels, down against earlier expectation of 25-34 million bushels. However, rising hopes of Chinese demand shadowed the export inspection report. Traders are expecting fresh demand of soybean to emerge from China. Bird flu factor is fading with decline in frequency of its report in China. Chinese soybean import in November totaled at 2.55 million ton. Thereby, soybean import in first 11 months of calendar year 2005 totaled at 23.98 million ton. On export front, South Korea bought 57,750 ton of soybean from Brazil at weekend.

#### CBOT Soy oil futures as 12.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	20.70	21.05	21.35	20.87	20.87	+0.17
Jan'06	20.87	21.25	21.68	21.00	21.02	+0.15
Mar'06	21.24	21.70	22.00	21.35	21.37	+0.13
May'06	21.59	22.05	22.35	21.70	21.70	+0.11
Jul'06	21.91	22.30	22.64	22.06	22.06	+0.15
Aug'06	22.03	22.45	22.65	22.18	22.18	+0.15
Sep'06	22.15	22.55	22.75	22.30	22.30	+0.15
Oct'06	22.25	22.60	22.60	22.45	22.45	+0.20

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Futures Settle Moderately Higher

South American soybean futures settled slightly up on yesterday's session. March South American soybeans settled up 4.5 cents higher at \$ 6.12 per bushel. Monthly report (WASDE) released by US Department of Agriculture revealed bearish picture, despite that March South American soybean were settled up. South Korea imported 57750 metric tones of South American soybean, which helped to boost up the market sentiments. Fund buying for soybean and meal were increased by Gulf is also helped to bullish market sentiments. China imported soybeans in November 2.55 million tones, which brought 11 month total to 23.98 million tonnes. There were rumor that China bought 1-2 Cargo of US soybean last week.

#### Crude Palm Oil Futures at BMD Settle Lower

Crude Palm oil futures on the Bursa Malaysia Derivatives settled down following bearish crop data. Benchmark February future settled off MYR8 at MYR1407 per ton. Bearish crop data released by Malaysian Palm Oil Board (MPOB) out smoked the improvement in export demand. Cargo Surveyor, SGS estimated the MPO export during December 1-10 at 312,924 ton, up 9.6% compared to its export during the corresponding period last month. But the concern over rising end-stock in fact, pilfered the enthusiasm out of the market. MPOB estimated the palm oil production in November at 1.23 million ton, down 12.5% on month basis. However, simultaneous decline in export was more than offsetting the fall in production, which eventually resulted in higher ending stock. MPOB estimated the November end-stock of palm oil at 1.6 million ton, up against 1.5 million ton at end of October.

BMD: CPO Futures (13.12.2005)							(Rinngit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1395	1390	1390	1384	1384	-11	48
Jan '06	1410	1412	1412	1400	1400	-10	680
Feb '06	1415	1416	1417	1407	1407	-8	1610
Mar '06	1416	1418	1418	1410	1410	-6	864
Apr '06	1416	1415	1415	1413	1415	-1	42

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Palm oil prices at domestic spot market were lacklustre. Bearish Crop data were revealed by Malaysian Palm Oil Board (MPOB) out smoked the improvement in export demand. Cargo Surveyor, SGS estimated the MPO export during December 1-10 at 312,924 ton, up 9.6% compared to its export during the corresponding period last month. Market sentiments are expected to move range bound with weak sentiments.

FOB prices of CPO (December) were last quoted at \$ 357.50 per tonne and RBD Palmolein at \$ 387.50 per tonne.

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

Centres	13.12.05	12.12.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	360	361	-1
Mumbai RBD Palmolein	375	373	+2
Chennai RBD Palmolein	375	375	0
Kakinada RBD Palmolein	375	374	+1

#### Soy oil

Domestic spot market prices of soy oil range bound. Total arrivals of soybeans were 1,25,000, 50,000 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. December soy oil prices settled down in NCDEX. December palm oil prices 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 \$ 497per tonne.

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

Centres	13.12.05	12.12.05	Change
Mumbai (Soy Ref oil)	359	361	-2
Indore (Soy Ref oil)	342	343	-1
Indore (Solvent Ex. oil)+VAT	318	317	+1
Kota (Soy Ref. Oil)	347	347	0
Jaipur (Soy Ref. Oil)	350	348	+2
Nagpur (Soy ref. Oil)	345	344	+1

#### Rape/Mustard oil

Domestic market prices of mustard oil were mixed. 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 Kota and Jaipur were quoted Rs 1480/qrt and Rs 1700/qrt respectively. Market sentiments of mustard oil prices are expected to move range bound with positive sentiments.

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

Centres	13.12.05	12.12.05	Change
Mumbai (Rape Expeller Oil)	375	374	+1
Kota (Rape Expeller Oil)	358	360	-2
Jaipur (Rape Expeller Oil)	362	366	-4
Delhi (Rape Expeller Oil)	385	384	+1
Neewai (Kacchi Ghani Rape Oil)	372	374	-2

#### Groundnut oil

Domestic market prices of Groundnut oil were slightly declined. There are low buying demands of GN oil at retail ends. Arrivals of groundnut in Gujarat were at 1.35 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	13.12.05	12.12.05	Change
Mumbai	450	452	-2
Rajkot	450	452	-2
Andhra Region	445	445	0
Chennai	445	445	0

#### Sunflower Oil

Spot market prices of Sunflower oil were lackluster. Market sentiments for sunflower oil are weak only due to good arrivals of groundnut and Soybean in the markets. Major

producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. CIF prices for sunflower oil at Kandla port were US \$ 568/ton. Sunflower oil prices are expected to move range bound.

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

Markets	13.12.05	12.12.05	Change
Mumbai	432	432	0
Chennai	477	476	+1

#### NBOT Soy oil futures as on 13.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	341.50	341.20	342.40	340.60	342.40	+0.90	580
Jan '06	349.90	349.00	349.30	347.50	348.50	-1.40	30520

#### NCDEX Soy oil futures as on 13.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	344.05	343.70	344.00	342.60	343.20	1580	9430
Jan 06	350.45	351.00	351.00	348.50	349.50	4920	16520

### LATEST WEATHER WATCH (13.12.2005)

#### Forecast valid for next 72 hours

**NORTH:** Isolated rain/snow likely over Jammu & Kashmir . Mainly dry weather is likely over the rest region.

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

**SOUTH:** Rain/thundershowers likely at many places over Andaman & Nicobar Islands, Kerala and Lakshadweep at a few places over Rayalaseema, south Coastal Andhra Pradesh, South Interior Karnataka, coastal Tamil Nadu & Pondicherry and isolated over the rest region outside Telangana where weather will be mainly dry .

**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 Intercean 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 13.12.2005)

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	12.20

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