

## VEGOIL

December 24, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- 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. Stochastic hinting slightly bullish sentiments but confirmation needed.
3. Close below 5 days and 7 days EMA indicates bearish trend.
4. Candlesticks has formed hammer pattern, which indicates bearish sentiments.

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 Jan'06 | 344.90 | 344.20 | 346.50 | 347.30 |

#### 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 Marginally Lower

Soy future settled lower at Chicago Board of Trade on Friday. March soybeans settled lower 0.25 cents at \$ 6.25 per bushel, 2 cents off the high and 4.5 up from the low and May soybeans settled unchanged at \$6.3425 per bushels. March Soymeal settled lower \$ 0.2 at \$ 203.4 per tonnes, \$ 1.9 up from the low and \$ 0.4 off the high. March Soybean Oil settled lower 0.15 cents at 21.61 cents/pounds, 0.26 cents off the high and 0.09 cents up from the low. Talk of some rain on weekend in Southern Brazil is helped pressure the market and prices are gone slightly down, day before yesterday prices were surged due to dry weather forecast in Southern Brazil. There was no fresh fundamental news to boost up the market. There were slow demands for crush report this week and slow pace of export sales.

#### 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.

#### South American Soybeans Futures Settle Slightly Higher

South American Soybean settled higher on fresh weather concern. March South American soybean settled up 7 cents at \$6.51 per bushel. Weather is a crucial factor, now. Latest weather forecast calls for less timely rains in Argentina. Bullishness stemmed from the reports for possibility of La Nina pattern to develop in coming months in Argentina. Continued concern over rising end-stock of US put cap on northwardly dispositions.

#### BMD remains closed on Saturday and Sunday

#### 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 likely unchanged. There is huge availability of other edible oils in the market like soy oil and cotton oil. Soy oil prices were slightly declined on spot markets. There was no fresh news to boost up the market sentiments. Market sentiments are expected to move range bound.

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

| Centres                | 24.12.05 | 23.12.05 | Change |
|------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA)   | 335      | 335      | 0      |
| Kandla RBD Palmolein   | 359      | 360      | -1     |
| Mumbai RBD Palmolein   | 371      | 371      | 0      |
| Chennai RBD Palmolein  | 374      | 374      | 0      |
| Kakinada RBD Palmolein | 370      | 370      | 0      |

#### Soy oil

Today domestic soy oil prices were slightly low. Total arrivals of soybeans were 75,000-80,000, 35,000-40,000 and 65,000, 30,000 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. Soybeans prices were quoted in range of Rs 1090-1100 on physical market in Kota Mandi. January soyoil prices settled lower on NCDEX and NBOT. January Soy future settled lower on Chicago Board of Trade. The above-mentioned factors are the cause of slightly decline in soy prices on physical markets. 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 \$ 482 per tonne.

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

| Centres                      | 24.12.05 | 23.12.05 | Change |
|------------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT     | 345      | 345      | 0      |
| Indore (Soy Ref oil)         | 342      | 343      | -1     |
| Indore (Solvent Ex. Oil)+VAT | 315      | 317      | -2     |
| Kota (Soy Ref. Oil)          | 348      | 351      | -3     |
| Jaipur (Soy Ref. Oil)        | 352      | 354      | -2     |
| Nagpur (Soy ref. Oil)        | 345      | 346      | -1     |
| Chennai (Soy Ref Oil)        | 360      | 361      | -1     |

#### Rape/Mustard oil

Domestic market prices of mustard oil were lackluster. Arrivals of mustard seeds were 500-600 bags in Neewai market. Mustard seeds price were quoted in range of Rs 1500-1530 and Rs 1720-1725 in Kota and Jaipur Mandi respectively. There is huge availability of other edible oils at low prices as compared to mustard oil in the market like soy oil, cotton oil and rice bran oil. Sowing acreage of mustard seeds increased in major producing states. Market sentiments are expected to range bound.

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

| Centres                        | 24.12.05 | 23.12.05 | Change |
|--------------------------------|----------|----------|--------|
| Mumbai (Rape Expeller Oil)     | 370      | 370      | 0      |
| Kota (Rape Expeller Oil)       | 360      | 360      | 0      |
| Jaipur (Rape Expeller Oil)     | 364      | 363      | +1     |
| Delhi (Rape Expeller Oil)      | 386      | 385      | +1     |
| Neewai (Kacchi Ghani Rape Oil) | 375      | 375      | 0      |

**Groundnut oil**

Domestic market prices of groundnut oil were mixed. Arrivals in Gujarat were at about 1.00 lakh bags (1 bag=35 kg). GN oil prices were went up slightly in Chennai markets due to rain. There were good arrivals of groundnut seeds and moderate demands of GN oil at retail ends in Andhra and Rajkot mandi. 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       | 24.12.05 | 23.12.05 | Change |
|---------------|----------|----------|--------|
| Mumbai        | 441      | 442      | -1     |
| Rajkot        | 456      | 455      | +1     |
| Andhra Region | 445      | 445      | 0      |
| Chennai       | 450      | 445      | +5     |

**Sunflower Oil**

Spot market prices of sunflower oil in Mumbai slightly declined due to huge availability of other edible oil at low prices in the markets like cotton oil and soybean oil. CIF sunflower is slightly 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 Refine Oil : Spot Market prices (Rs/10 Kg)**

| Markets | 24.12.05 | 23.12.05 | Change |
|---------|----------|----------|--------|
| Mumbai  | 421      | 422      | -1     |
| Chennai | 475      | 475      | 0      |

**NBOT Soy oil futures as on 24.12.2005 (Rs/10 kg)**

| Months  | Previous Closing | Open Price | High Price | Low Price | Close Price | Change | Volume |
|---------|------------------|------------|------------|-----------|-------------|--------|--------|
| Jan '06 | 345.80           | 345.00     | 345.40     | 344.30    | 345.00      | -0.80  | 15320  |
| Feb '06 | 348.20           | 347.60     | 347.80     | 346.80    | 347.30      | -0.90  | 4220   |

**NCDEX Soy oil futures as on 24.12.2005 (Rs/10 kg)**

| Months | Previous Closing | Open Price | High Price | Low Price | Close Price | Volume | Open Interest |
|--------|------------------|------------|------------|-----------|-------------|--------|---------------|
| Jan 06 | 346.30           | 346.55     | 346.55     | 345.00    | 345.70      | 1060   | 17140         |
| Feb'06 | 349.10           | 348.30     | 348.90     | 348.00    | 348.00      | 1360   | 14620         |

**LATEST WEATHER WATCH (24.12.2005)**

Forecast valid for next 72 hours

**NORTH:** Rain/snow likely at **isolated places** over Himachal Pradesh and Uttaranchal. **Isolated** rain /thundershowers

likely over East Uttar Pradesh during next 24 hours. Weather will be **mainly dry** in the rest region.

**EAST:** **Isolated rain/thundershowers** likely over Nagaland, Manipur, Mizoram & Tripura and Bihar. Weather will be **mainly dry** over the rest region.

**SOUTH:** Rain/thundershowers likely at a few places over Andaman & Nicobar islands and **isolated** over coastal Tamil Nadu & Pondicherry 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 24.12.2005)**

| Country/ Continent | Currency       | Value in Rupees |
|--------------------|----------------|-----------------|
| USA                | Dollar         | 45.14           |
| European Union     | Euro           | 53.57           |
| Japan              | 100 Yen        | 38.85           |
| United Kingdom     | Pound Sterling | 78.22           |
| Malaysia           | Ringgit        | 11.96           |

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.