

## VEGOIL

January 20, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Moderately Higher
- CBOT Soy Futures Settle Lower
- NCDEX February Soy Oil Future Prices Settle Higher

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD has just turned upward and crossed its signal line from below, which indicates medium term bullish trends.
2. %K line has just turned upwards and crossed % D line in neutral zone from oversold territory, which indicates bullish sentiments.
3. Close below 9 days and 18 days (345.71) EMA, which indicates slightly bearish trends.
4. Candlestick pattern indicates slightly bullish market sentiments.

**Market Advice:** Go long near 344.30, target near 345.30 and put stop loss at 343.80.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	343.20	342.75	345.40	346.60

#### 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 Lower

Soy future settled lower at Chicago Boards of trades on Wednesday. March soybean future settled lower 5.50 cents at \$5.6575 per bushel, 6.25 cent off the high and 2.252 cent up from the low. May Soybeans settled lower 6 cent at \$5.7475/bushels, it was 2.25 cent up from the low and 6.25 cent off the high. March Soymeal settled lower \$2.8 at \$177.5 per ton, it was \$1.9 up from the low and \$0.5 off the high. March Soybean Oil settled lower 0.06 cents at 21.16 cents/pound, 0.21 cents off the high and 0.16 cents up from the low. The improving crop conditions in South America indicated China's move towards booking US soybeans for February shipment and a lack of new buying support from fund traders helped trigger the early weakness. The spread of bird flu into Eastern Europe is hurting poultry demand from the consumer level and if the setback in demand extends for very long, meal demand could suffer. Without buying from China the market may lack the commercial support.

#### CBOT Soy oil futures as 18.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	21.22	21.04	21.37	21.00	21.16	-0.06
May '06	21.63	21.40	21.71	21.36	21.60	-0.03
Jul '06	21.99	21.75	22.05	21.71	21.94	-0.05
Aug '06	22.14	21.93	22.17	21.93	22.07	-0.07
Sep '06	22.27	22.25	22.33	22.15	22.19	-0.08
Oct '06	22.43	22.25	22.40	22.25	22.30	-0.13
Dec '06	22.67	22.50	22.75	22.50	22.60	-0.07

CBOT remains closed on Saturday and Sunday.

#### South American Soybeans Futures Settle Lower

South American soybeans future settled lower on Wednesday. March South American soybeans settled 5 cents lower at \$6.02/bushel as compared to previous closing price. Harvest is just getting started in northern Mato Grosso, and the harvest will continue till April. The US market is watching increased selling pressure for improving crop conditions in South America. Stock of South American soybeans may increase only because more production and low export demand. Low demand from China and bird flu added bearish tone.

#### BMD CPO Futures Settle Moderately Higher

Crude palm oil future settled higher at Bursa Malaysia Derivatives on Thursday. The benchmark April CPO contract settled at MYR1436/metric ton, it was up MYR6 from previous closing prices. Traders were optimistic for good export in January. There was talk that export figure would expected to increase about 680000 metric ton, it is more than expectations. Export figure were estimated in range of 625000-650000 metric tons. Positive CBOT projections were added to bullish market trends. Cargo surveyors SGS (Malaysia) Bhd. and Intertek Agri Services are due to issue Friday estimates for Malaysian palm oil exports for the Jan. 1-20 period. Malaysian palm oil stocks had risen to a record high of 1.6 million tons at end-December.

BMD: CPO Futures (19.01.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1420	1421	1425	1419	1424	+4	664
Mar 06	1428	1430	1433	1426	1431	+3	889
Apr 06	1432	1431	1439	1430	1436	+4	2814
May 06	1435	1435	1440	1434	1438	+3	460
Jun 06	1435	0	1436	0	1436	+1	0

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Today palm oil prices at physical markets were steady in most of the market. KLCE settled moderately higher on Thursday. Cargo surveyors SGS (Malaysia) Bhd are due to issue estimates Friday for Malaysian palm oil exports in the Jan. 1-20 period. Traders hopes more export demand figure in January than earlier export demands estimates. Palm oil prices are expected to move range bound in near term.

FOB prices of CPO (January) were last quoted at \$ 360 per tonnes and February RBD Palmolein at \$ 392.50 per tonnes.

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

Centres	19.01.06	18.01.06	Change
Kandla CPO (5 % FFA)	326	326	0
Kandla RBD Palmolein	350	350	0
Mumbai RBD Palmolein	354	354	0
Chennai RBD Palmolein	370	369	+1
Kakinada RBD Palmolein	350	352	-2
Hyderabad RBD Palmolein+Tax	359	359	0

#### Soy oil

Today soybean oil prices at physical markets range bound. NCDEX and NBOT February soy oil future prices settled higher today as compared to previous closing prices. Soybean prices were quoted Rs 1120-40 per quintal on spot market in Kota. Today's arrivals of soybean were around 80000, 30000-35000 and 15000-20000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan markets respectively. Arrivals of soybeans were 4000 bags in Kota only. Soy oil prices are expected to move range bound with positive sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 320 per 10 kg. CNF prices for soy degum (Jan15/Feb15 Shipment) at Kandla were quoted at \$ 479 per tonne.

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

Centres	19.01.06	18.01.06	Change
Mumbai (Soy Ref oil)+VAT	335	334	+1
Indore (Soy Ref oil)	340	341	-1
Indore (Solvent Ex. Oil)+VAT	318	317	+1
Kota (Soy Ref. Oil)	350	350	0
Jaipur (Soy Ref. Oil)	353	353	0
Chennai (Soy Ref Oil)	353	353	0
Hyderabad (Soy Ref)	345	345	0
Rajkot (Soy Ref)+Tax	331	329	+2

### Rape/Mustard oil

Mustard oil prices on physical market were steady today in most of the markets. Today mustard seed prices in physical market were quoted Rs 1500-1530 and 1730 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 400-500 and 1200-1500 bags in Kota and Jaipur respectively. Harvesting of mustard crop is started in some pockets in Kota region. According to local traders, the arrivals of new mustard seeds were 100 bags today in Kota mandi and its prices were quoted Rs 1350-1400/qtl in physical market. New mustard seed were quoted slightly weak only due to moisture. February future prices are settled lower on Delhi and Hapur exchange as compared to previous closing price. February future prices of mustard seed were quoted Rs 333 (-0.70) and 341.9 (-1.2) per 20 Kg in Delhi and Hapur exchange respectively. Mustard oil prices are expected to move range bound.

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

Centres	19.01.06	18.01.06	Change
Mumbai (Rape Expeller Oil)	372	369	+3
Kota (Rape Expeller Oil)	360	360	0
Jaipur (Rape Expeller Oil)	363	363	0
Delhi (Rape Expeller Oil)	395	395	0
Neewai (Kachchi Ghani Rape Oil)	385	-	-

### Groundnut Refine Oil

Today groundnut oil prices remain showed tedious trend in most of the markets amidst low demands at retail ends. Prices of groundnut oil went down only because the harvesting pressure in south India. Low priced edible oil are available in the market as compared to groundnut oil is another factor to decline its prices. More supply of groundnut seeds brought negative impact on its prices. GN oil prices are expected to move range bound with weak sentiments.

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

Centres	19.01.06	18.01.06	Change
Mumbai	434	438	-4
Rajkot	447	449	-2
Andhra Region	434	432	+2
Chennai	440	440	0

### Sunflower Refine Oil

Sunflower oil prices were showed dull trends in most of the physical markets today due to good arrivals of sunflower seeds. CIF prices for Sunflowers (Jan15/Feb/15 Shipment) at Kandla port were quoted at \$ 541 per tonnes, it is down by \$ 3 per ton as compared to yesterday. Sunflower oil prices are expected to move range bound with weak sentiments.

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

Markets	19.01.06	18.01.06	Change
Mumbai +Vat	398	398	0
Chennai	430	435	-5
Hyderabad	410	410	0

### Cotton Refine Oil

Cotton oil prices at physical markets were monotonous today. There were good arrival of cottonseeds and huge availability of other edible oil in the market. There was lack of any fresh fundamental news to boost up the market sentiments. Cotton oil prices are expected to move range bound with weak sentiments tomorrow.

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

Markets	19.01.06	18.01.06	Change
Mumbai	343	343	0
Hyderabad	345	345	0
Rajkot	341	340	+1

#### NBOT Soy oil futures as on 19.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	342.80	343.60	344.90	343.20	344.80	+2.00	21810
Mar '06	344.20	344.80	346.90	344.80	346.80	+2.60	2160

#### NCDEX Soy oil futures as on 19.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan '06	341.30	341.10	343.25	341.10	342.65	1330	3720
Feb '06	343.15	343.80	345.20	343.50	344.65	6020	22160
Mar '06	344.50	344.70	347.00	344.70	346.25	2860	12410

#### Forex Rates (As on 19.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.36
European Union	Euro	53.70
Japan	100 Yen	38.52
United Kingdom	Pound Sterling	78.17
Malaysia	Ringgit	11.83
China	CNY	5.50
Argentina	ARS	14.54
Brazil	BRL	19.14
Indonesia	1000 IDR	4.66

### PORT-WATCH (Latest):

#### Edible Oil

Delivery of 13,250 MT of SBO is continuing at Kandla Port from the vessel 'Aditi'. The cargo was loaded from Argentina. Intercean agents is handling.

Kolkatta Port is receiving 5,200 MT of CPO from the vessel 'Isokaze'. Seaport agents is handling the vessel.

Delivery of 6,000 MT of CPO is expected at New Mangalore Port from the vessel 'Vernal Grace'.

'Spring Glory' is expected at Kakkinada Port to deliver 6,000 MT of CPO.

Chennai Port received 3,000 MT of palm oil from the vessel 'MMM Houston'.

Mundra Port is expecting 'Florida' to discharge 29,000 MT of SBO. Taurus agents will be handling the vessel.

Delivery of 3,000 MT of palm oil is expected at Cochin Port from the vessel 'Cheras'. The vessel will be handled by Seaport agents.

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Aditi	13250	SBO	Arrived
Kolkata	Isokaze	5200	CPO	Arrived
Mundra Port	Florida	29000	SBO	Arrived
Chennai	MMM Houston	3000	Palm Oil	Arrived
Kakinada	Spring Glory	6000	CPO	Expected
New Mangalore	Vernal Grace	6000	CPO	Expected
Cochin	Cheras	3000	Palm Oil	Expected

#### LATEST WEATHER WATCH (19.01.2006)

Forecast valid for next 72 hours

**NORTH : Isolated rain /Snow** is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Weather will be mainly dry over the rest region.

**EAST : Isolated rain/thundershowers** likely over northeast Assam and Arunachal Pradesh Weather will be mainly dry over the rest region.

**SOUTH : Isolated rain/thundershowers** are likely over Nicobar Islands. Weather will be **Mainly dry** in the rest region.

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

**Source:** IMD, GOI

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