

## VEGOIL

January 21, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Flat
- 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 is moving upward after crossing its signal line, which indicates medium term bullish trends.
2. %K line is moving upwards after crossing % D line in neutral zone from below, which indicates bullish market sentiments.
3. Close above 9 days and below 18 days EMA, which indicates slightly bullish trends.
4. Candlestick pattern indicates moderately bullish market sentiments.

All technical indicators showed slightly bullish trend.

**Market Advice:** Market is expected to move range bound with positive sentiments. Go long near 344.80, target near 345.80 and put stop loss at 343.30.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	344.10	343.20	346.70	347.10

#### 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 Thursday. March Soybean future settled lower 0.75 cent at \$5.65/bushel, 3.75 cent off the high and 1 cent up from the low. May Soybeans close unchanged at \$ 5.7475, it was 0.75 cent up from the low and 3.25 cent off the high. March Soybean Oil closed up \$ 0.9 at \$178.4/ton, it was \$ 0.9 up from the low and \$ 0.4 off the high. March Soybean Oil settled lower 0.08 cents at 21.08 cents/pound, 0.25 cents off the high and 0.02 cent up from the low. Scattered rains are expected in Brazil which is expected to limit the upside recover. Brazil crop production could be near 58-60 million tonnes has been seen as a factor to drive the market lower as a large crop in Brazil may provide extra competition with US soybeans.

#### CBOT Soy oil futures as 19.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	21.16	21.25	21.33	21.06	21.08	-0.08
May '06	21.60	21.64	21.65	21.43	21.47	-0.13
Jul '06	21.94	22.03	22.03	21.80	21.84	-0.10
Aug '06	22.07	22.15	22.15	21.95	21.98	-0.09
Sep '06	22.19	22.25	22.25	22.10	22.12	-0.07
Oct '06	22.30	22.40	22.40	22.25	22.29	-0.01
Dec '06	22.60	22.85	22.85	22.52	22.53	-0.07

CBOT remains closed on Saturday and Sunday.

#### South American Soybeans Futures Settle Lower

South American soybeans future settled low on Thursday. March South American soybeans closed 5 cents lower at \$5.97/bushel as compared to previous closing price. There were rumours in previous day of China buying US and Argentina soybeans. The US market tried to improve slightly late yesterday and overnight, and after the recent sharp break, futures were slightly oversold but with a shallow pace. The weather has turned more favourable and less threatening in South America, and weak export and crush demand in the US are still bearish forces. The uncertainty associated with the bird flu is still a potential bearish force for lowering down its price.

#### BMD CPO Futures Settle Flat

Crude palm oil futures settled unexciting at Bursa Malaysia Derivatives on Friday. The benchmark April CPO contract settled steady at MYR1436/metric ton as compared to previous closing price. Traders estimates were in range of 650000 - 680000 metric ton. A cargo surveyor Intertek Agri Services estimated for Jan. 1-20 Malaysian palm oil export figure at 670,392 tons, it is up by 4% as against December 1-20. Another surveyor SGS (Malaysia) Bhd. revealed export figure at 656987 metric ton, it is up by 5 per cent as compared to Dec 1-20. However, export estimates for the Jan. 1-20 period could not bring much impact on market sentiments only because export figure were within range of traders expectations, despite of higher export figure it is expected to increase stock of Malaysian crude palm oil. Trading activities were unexciting today and it is expected to sluggish trend in near term due to 4 days holiday in Malaysia i.e. Jan 30 to Feb 2, 2006. Traders are avoiding for

fresh positions due to sluggishness and volatility in trading activities.

#### BMD: CPO Futures (20.01.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1425	1427	1427	1420	1422	-3	294
Mar 06	1431	1432	1434	1429	1430	-1	557
Apr 06	1436	1436	1440	1432	1436	0	1257
May 06	1438	1441	1441	1436	1439	+1	421
Jun 06	1441	1440	1440	1440	1440	-1	35

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Today palm oil prices at physical markets range bound with positive sentiments in most of the market. Cargo surveyors SGS (Malaysia) Bhd are released an estimate on Friday of Malaysian palm oil exports higher about 5 per cent during the Jan. 1-20 period as compared to December 1-20. Soy oil future market improved slightly today at NCDEX brought positive impact on its prices. Palm oil prices are expected to move range bound in coming days.

FOB prices of CPO (January) were last quoted at \$ 360 per tonnes and February RBD Palmolein at \$ 390 per tonnes.

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

Centres	20.01.06	19.01.06	Change
Kandla CPO (5 % FFA)	327	326	+1
Kandla RBD Palmolein	351	350	+1
Mumbai RBD Palmolein	355	354	+1
Chennai RBD Palmolein	371	370	+1
Kakinada RBD Palmolein	352	350	+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 are moderately higher today as compared to previous closing prices. Soybean prices were remains quoted Rs 1120-40 per quintal on spot market in Kota. Today's arrivals of soybean were remains around 80000, 30000-35000 and 15000-20000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan markets respectively. Arrivals of soybeans were 4000-5000 bags in Kota only. Soy oil prices are expected to move range bound. 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 \$ 478 per tonne.

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

Centres	20.01.06	19.01.06	Change
Mumbai (Soy Ref oil)+VAT	334	335	-1
Indore (Soy Ref oil)	341	340	+1
Indore (Solvent Ex. Oil)+VAT	318	318	0
Kota (Soy Ref. Oil)	350	350	0
Jaipur (Soy Ref. Oil)	353	353	0
Chennai (Soy Ref Oil)	355	353	+2
Hyderabad (Soy Ref)	345	345	0
Rajkot (Soy Ref)+Tax	333	331	+2

### Rape/Mustard oil

Mustard oil prices on physical market were monotonous today in most of the markets. Today mustard seed prices in physical market were quoted in the range of Rs 1500-1530 and 1725-1730 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 has started in some pockets in Kota region. Prices for new mustard seed were quoted 1350-1400. However, MSP for mustard seed is Rs 1715/qlt fixed by GOI. NAFED will buy in month of march-April. All farmers cannot get benefit of MSP. February future prices are settled lower remain on Delhi and Hapur exchange as compared to previous closing price. February future prices of mustard seed were quoted Rs 331.2 (-1.80) and 339.5 (-2.4) 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	20.01.06	19.01.06	Change
Mumbai (Rape Expeller Oil)	372	372	0
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)	384	385	-1

### Groundnut Refine Oil

Today groundnut oil prices at spot market were range bound with positive sentiments in most of the markets. Groundnut seeds prices are slightly improved in Rajkot mandi and it brought positive impact on gn oil prices. Soy oil future prices improved on NCDEX brought positive impact on spot markets on all edible oil. GN oil prices are expected to move range bound.

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

Centres	20.01.06	19.01.06	Change
Mumbai	435	434	+1
Rajkot	448	447	+1
Andhra Region	440	434	+6
Chennai	445	440	+5

### Sunflower Refine Oil

Sunflower oil prices were showed mixed sentiments in most of the physical markets today. CIF prices for Sunflowers (Jan15/Feb/15 Shipment) at Kandla port were quoted at \$ 541 per tonnes. Sunflower oil prices are expected to move range bound with weak sentiments.

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

Markets	20.01.06	19.01.06	Change
Mumbai +Vat	395	398	-3
Chennai	435	430	+5
Hyderabad	410	410	0

### Cotton Refine Oil

Today cotton oil prices at physical markets range bound with mixed sentiments. Cotton oil prices are marginally improved today due to improvement in GN oil and soy oil in Gujarat mandi. There were no fresh news to boost up its prices in the markets. Cotton oil prices are expected to move range bound with weak sentiments tomorrow.

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

Markets	20.01.06	19.01.06	Change
Mumbai	342	343	-1
Hyderabad	345	345	0
Rajkot	344	341	+3

#### NBOT Soy oil futures as on 20.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	344.60	344.10	345.60	343.80	344.50	-0.10	25200
Mar '06	346.80	346.20	348.20	345.60	346.70	-0.10	5200

#### NCDEX Soy oil futures as on 20.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	341.10	342.85	343.25	342.00	342.65	2130	2900
Feb'06	344.85	345.50	346.00	344.00	344.90	4900	22600
Mar'06	346.55	347.00	348.15	345.00	346.90	4030	13080

#### Forex Rates (As on 20.01.2006)

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	11.82
China	CNY	5.49
Argentina	ARS	14.53
Brazil	BRL	19.26
Indonesia	1000 IDR	4.70

### PORT-WATCH (Latest):

#### Edible Oil

Delivery of 6,000 MT of palm oil is continuing at Cochin Port from the vessel 'Cheras'. The vessel is being handled by Seaport agents. 'Seto Eagle' has berthed at the port and continues to deliver 3,000 MT of palm oil.

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.

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

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Isokaze	5200	CPO	Arrived
Mundra Port	Florida	29000	SBO	Arrived
Kakinada	Spring Glory	6000	CPO	Expected
New Manglore	Vernal Grace	6000	CPO	Expected
Cochin	Cheras	3000	Palm Oil	Arrived
	Seto Eagle	3000	Palm Oil	Arrived

#### LATEST WEATHER WATCH (20.01.2006)

Forecast valid for next 72 hours

**NORTH:** Weather will be mainly dry over the region. However, a spell of moderate rainfall/snowfall is likely over the western Himalayas from 22<sup>nd</sup> evening.

**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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