

## VEGOIL

January 11, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Ref. Oil futures Settle Marginally Up
- CBOT Soy Futures Settle Lower

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD is remains moving upwards above its signal line, there is no signal of reversal in the current trend.
2. %K line has just turned downwards in oversold territory and crossed %D line from up, indicates bearish sentiments.
3. Close above 9 days EMA and 18 days EMA, which indicates medium term bullishness in the prices.

**Market Advice:** Market sentiments are expected to move range bound with positive sentiments. Go long with cautions. Buy near 344.60, target near 345.60, put stop loss near=344.10.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	343.20	342.40	345.70	346.70

#### 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

March Soybeans settled lower 17 cents at \$ 5.94 per bushel, 12.50 cents off the high and 4.5 cents up from the low. May soybeans settled lower 18 cents at \$ 6.03 per bushel, 3 cents up from the low and 13.5 cents off the high. March soy meal settled down \$ 4.1 at \$ 184.6 per ton, \$ 1.8 up from the low and \$ 1.3 off the high. March soybean oil settled down 0.4 cent at 22.59 cents per pound, which is 0.16 cent off the high and 0.24 cent up from the low. The forecast for a good rain event in Argentina made a bearish impact on the market. Renewed bird flu concerns added to the bearish tone. While the Argentina crop conditions look to improve this week with the forecast for rain, crop conditions in southern Brazil look to deteriorate with a high pressure ridge bringing hot and dry weather for much of the next week. According to the traders exports are reported to be reduced. Cumulative shipments have reached just 40.8% of the USDA export forecast for the season as compared with 50.2% as the 5-year average for this time of the year.

#### CBOT Soy oil futures as 09.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	22.75	22.30	22.30	22.05	22.20	-0.55
Mar '06	22.99	22.75	22.75	22.35	22.59	-0.40
May '06	23.32	22.95	22.98	22.70	22.97	-0.35
Jul '06	23.65	23.25	23.32	23.05	23.31	-0.34
Aug '06	23.75	23.35	23.40	23.20	23.40	-0.35
Sep '06	23.85	23.50	23.50	23.35	23.50	-0.35
Oct '06	24.00	23.45	23.65	23.45	23.65	-0.35
Dec '06	24.18	23.85	23.90	23.69	23.90	-0.28

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Futures Settle Lower

March South American soybeans settled 7 cents lower from the Friday closing to \$ 6.365 per bushel. The outlook for a significant rain event with cooler temperatures for later this week in Argentina helped pressure in the market. A high pressure ridge, however, is expected to continue to build in southern Brazil over the next week, which could begin to stress some of the Brazil crop. Weather forecast shows major relief for the Argentina growing areas for the second half of this week with cooler and wetter weather now expected. More stories of bird flu outbreaks and deaths added to the negative tone on the market, and traders believe that China buyers are reluctant to book more soybeans under these circumstances.

**BMD was closed due to National Holiday (Id-UI-Juha).**

#### BMD: CPO Futures (09.01.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1419	1417	1417	1411	1411	-8	254
Feb 06	1427	1425	1425	1418	1418	-9	394
Mar 06	1433	1429	1431	1422	1423	-10	1080
Apr 06	1437	1431	1434	1427	1427	-9	581
May 06	1440	1430	1430	1430	1430	-10	33

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Palm oil prices at physical market shows dull trends today in most of the markets. CBOT soy oil future prices settled down on Monday. BMD was closed today due to national holiday (Id-ul-Juha) in Malaysia. Malaysian Palm Oil Board (Official data) are scheduled to release by January 11, 2006 of December Production, Export and Stock data. Palm oil prices are expected to move range bound in near term.

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

Centres	10.01.06	09.01.06	Change
Kandla CPO (5 % FFA)	326	327	-1
Kandla RBD Palmolein	357	358	-1
Mumbai RBD Palmolein	363	363	0
Chennai RBD Palmolein	370	371	-1
Kakinada RBD Palmolein	356	355	+1
Hyderabad RBD Palmolein+Tax	376	376	0

#### Soy oil

Market sentiments of domestic soy oil were mixed today. January soy oil prices were low in the beginning and slightly improved later on at NBOT today as compared to previous closing prices. CBOT soy future prices settled down on Monday. Today's arrivals of soybeans were 45000-50,000, 25000-30,000, 30000, 20,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra, Rajasthan and Gujarat markets. Arrivals of soybeans were about 5500-6000 bags in Kota only. Soybeans prices at spot market were quoted Rs 1130-1150 in Kota Mandi. CNF prices for soy degum (January Shipment) at Kandla are declined today at \$477/tonnes from 484 \$/tonnes. Soy oil prices are expected to move range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 325 per 10 kg. CNF prices for soy degum (January Shipment) at Kandla were quoted at \$ 477 per tonne.

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

Centres	10.01.06	09.01.06	Change
Mumbai (Soy Ref oil)+VAT	340	340	0
Indore (Soy Ref oil)	343	341	+2
Indore (Solvent Ex. Oil)+VAT	319	320	-1
Kota (Soy Ref. Oil)	355	354	+1
Jaipur (Soy Ref. Oil)	358	358	0
Nagpur (Soy ref. Oil)	346	346	0
Chennai (Soy Ref Oil)	354	354	0
Hyderabad (Soy Ref)	380	378	+2
Rajkot (Soy Ref)+Tax	336	338	-2

#### Rape/Mustard oil

Mustard oil prices at physical market range bound with positive sentiments. Mustard oil prices are slightly improved due to festival demands. There is more domestic consumption of mustard oil especially in winter season. Mustard seed prices were quoted in Kota and Jaipur Rs 1475-1500/quintal and 1700/quintal respectively. Today's arrivals of mustard seeds were 1000 bags and 3000 bags

in Kota and Jaipur respectively. Mustard oil prices are expected to move range bound.

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

Centres	10.01.06	09.01.06	Change
Mumbai (Rape Expeller Oil)	367	366	+1
Kota (Rape Expeller Oil)	357	356	+1
Jaipur (Rape Expeller Oil)	362	360	+2
Delhi (Rape Expeller Oil)	383	382	+1
Neewai (Kachchi Ghani Rape Oil)	375	374	+1
Kota (Kachchi Ghani Rape oil)	372	370	+2

**Groundnut Refine Oil**

Groundnut oil prices at spot market went down slightly today in most of the markets amidst low demands at retail ends. Demand for GN oil slightly declined because festival demands are likely over. There is another reason to decline of groundnut oil prices due to mixing of low priced oil in GN oil. Arrivals of groundnut were around 75,000-80000 bags in Gujarat (1 bag= 35 Kg). GN oil prices are expected to move range bound.

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

Centres	10.01.06	09.01.06	Change
Mumbai	444	445	-1
Rajkot	455	460	-5
Andhra Region	443	445	-2
Chennai	445	445	0

**Sunflower Refine Oil**

Sunflower oil prices at spot markets were mixed today. Sunflower oil prices were low in Mumbai markets due to huge availability of cotton oil and soy oil in the markets, these oil are cheaper in comparison to Sunflower oil. There is news that sunflower oil is expected to import in this week. CIF prices for Sunflowers (January Shipment) at Kandla were quoted at \$ 560 per tonnes. Sunflower oil prices are expected to move range bound in near term.

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

Markets	10.01.06	09.01.06	Change
Mumbai	405	415	-10
Chennai	450	450	0
Hyderabad	427	425	+2

**Cotton Refine Oil**

Cotton oil prices on physical markets were lackluster in most of the markets. There were good arrival of cottonseeds and huge availability of other edible oil in the market brought negative impact on its prices. Cottonseeds prices are low in the market. There was no fresh fundamental news for boost up the cotton oil prices. Cotton oil prices are expected to range bound in near term.

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

Markets	10.01.06	09.01.06	Change
Mumbai	352	352	0
Hyderabad	353	355	-2
Rajkot	345	350	-5

**NBOT Soy oil futures as on 10.01.2006 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	342.50	342.20	342.20	342.20	343.10	+0.60	8660
Feb '06	345.90	345.00	347.60	345.00	347.40	+1.50	34250

**NCDEX Soy oil futures as on 10.01.2006 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	344.20	343.75	344.75	343.05	344.65	1670	8530
Feb'06	348.35	345.70	348.00	345.55	347.55	8950	24090

**PORT-WATCH (Latest):**

**Edible Oil**

Kolkatta Port is receiving 13,047 MT of SBO from the vessel 'Stolt Excellence'. JM Baxi agents is handling the vessel. 'Laju Sejahtera' has berthed at Kolkatta Port and continues to discharge 4,500 MT of CPO. Atlantic agents is handling the vessel.

Delivery of 8,500 MT of sun flower oil is expected at Chennai Port from the vessel 'Bunga Marwar'. GAC agents will be handling the vessel. The port is expecting the delivery of 1,860 MT of palm oil from the vessel 'Mega Crown I'. The vessel will be handled by Seaport agents.

'Aditi' is expected at JN Port to deliver 20,000 MT of CPO.

Kakkina Port is expecting 'Ace I' and 'Golden Crown' to deliver 4,000 MT of CPO each.

**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Stolt Excellence	13047	SBO	Arrived
	Laju Sejhtra	4500	CPO	Arrived
JN Port	Aditi	20000	CPO	Expected
Chennai	Mega Crown 1	1860	Palm Oil	Expected
	Bunga Marwar	8500	SFO	Expected
Kakinada	Ace I	4000	CPO	Expected

**Forex Rates (As on 10.01.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.38
European Union	Euro	53.49
Japan	100 Yen	38.74
United Kingdom	Pound Sterling	78.35
Malaysia	Ringgit	11.83
China	CNY	5.50
Argentina	ARS	14.48
Brazil	BRL	19.72
Indonesia	1000 IDR	4.68

## LATEST WEATHER WATCH (10.01.2006)

### Forecast valid for next 72 hours

**NORTH :** Isolated rain/snow likely over higher reaches of Jammu & Kashmir. Weather will be mainly dry over the rest region.

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

**SOUTH :** Isolated Rain/thundershowers are likely over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry,

Lakshadweep and Kerala. 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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