

## VEGOIL

January 27, 2006

### MAJOR ACTIVITY HIGHLIGHTS

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

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD continued to moves in up direction after bullish crossing its signal line, which indicates medium term bullish trends.
2. %K line has just turned downward and crossed % D line from above in neutral zone, which indicates bearish market sentiments.
3. Close above 9 days (345.82) and 18 days EMA (345.92), which indicates bullish market sentiments.
4. Candlestick pattern shows bearish market sentiments.

**Market Advice:** Market sentiments are expected to move range bound with weak sentiments. Go short with cautions. Sell at near 346.20 with target near 345.40, put stop loss at 346.60.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	345.30	344.10	347.00	347.90

#### 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 Low at Chicago Boards of trades on Monday. March Soybeans finished down 3.25 at \$ 5.7125, 6.50 cent off the high and 1.75 cent up from the low. May Soybeans closed down 4 cent at \$ 5.81/bushel. This was 1 cent up from the low and 6.75 cent off the high. March Soymeal closed down \$ 0.6 at \$ 179.9/ton, it was \$ 0.5 up from the low and \$ 1.9 off the high. March Soybean Oil settled unchanged at 21.52 cents/pound, 0.2 cents off the high and 0.22 cents up from the low. The market settled lower early in the session with speculation of the huge stocks, slow export pace and massive world ending stocks.

#### CBOT Soy oil futures as 24.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	21.52	21.53	21.72	21.3	21.52	0
May '06	21.85	21.85	22.1	21.67	21.85	0
Jul '06	22.22	22.22	22.45	22.01	22.24	+0.02
Aug '06	22.36	22.28	22.5	22.25	22.38	+0.02
Sep '06	22.51	22.48	22.63	22.41	22.52	+0.01
Oct '06	22.64	22.65	22.75	22.55	22.68	+0.04
Dec '06	22.92	22.92	23.1	22.75	22.95	+0.03

CBOT remains closed on Saturday and Sunday.

#### South American Soybeans Futures Settle Higher

South American soybeans future settled high on Monday. March South American soybeans closed 6 cents higher at \$ 6.06/bushel as compared to previous closing price. Expectation for getting 50-60 million ton crop seems to go lower due to adverse weather in Argentina. South American crops are not doing as well as many had anticipated combined with a surge lower in the US dollar was enough to support the start of a technical bounce in US soybeans. Decline in the freight rates was also considered as a factor, and a combination of lower prices, cheaper dollar and lower freight might boost demand.

#### BMD CPO Futures Settle Moderately Up

Crude palm oil futures settled moderately up at the Bursa Malaysia Derivatives on Wednesday. The benchmark April CPO contract settled MYR3 higher at MYR1435/ metric ton. A cargo surveyor SGS, Malaysia, Bhd. released an estimates for export figure for the period of Jan 1-25 on Wednesday. Malaysian palm oil exports declined to 777781 metric ton during Jan 1-5,2006 as against 819334 metric ton during Dec1-25, 2005, it is about 5 per cent down. However, another surveyor Intertek Agri Services revealed that the an estimates of Malaysian palm oil export declined by 2.2 per cent during Jan 1-25 as compared to Dec 1-25. Traders are ignored the export figure and it could not bring any drastic impact on market sentiments. Both surveyors showed less export figures estimate than traders' expectations. BMD will be closed from Jan 30- Feb 2, in next week BMD will be open only on Friday, low trading is expected for Friday. In China, most of the market will be closed from Thursday on the occasion of Chinese New Year.

#### BMD: CPO Futures (25.01.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1420	1423	1426	1423	1423	+3	170
Mar 06	1426	1425	1430	1425	1430	+4	525
Apr 06	1432	1432	1437	1430	1435	+3	978
May 06	1436	1437	1441	1436	1440	+4	491
Jun 06	1439	0	0	0	1439	0	0

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Today palm oil prices at physical markets were steady in most of the markets. BMD settled moderately higher on Wednesday. Trading activities were slow on BMD due to 4 days holiday ahead from Jan 30 to Feb 2 i.e Monday to Thursday. Palm oil prices are expected to move range bound. FOB prices of CPO (February) were quoted at \$ 367.50 per tonnes and February RBD Palmolein at \$ 392.50 per tonnes. FOB CPO and RBD slightly increased today as compared to yesterday.

#### Palm oil - Spot Market Price

(Rs. per 10 kg)

Centres	25.01.06	24.01.06	Change
Kandla CPO (5 % FFA)	332	332	0
Kandla RBD Palmolein	353	353	0
Mumbai RBD Palmolein	358	358	0
Chennai RBD Palmolein	373	372	+1
Kakinada RBD Palmolein	350	350	0
Hyderabad RBD Palmolein+ Tax	358	354	+4

#### Soy oil

Today soybean oil prices at physical markets were steady in most of the markets. NCDEX and NBOT February soy oil future prices are settled marginally lower today as compared to previous closing prices. Today's arrivals of soybean were in range of 1.25 lakh to 1.50 bags (1 bags=85 Kg) in major markets of India. There was no fresh fundamental news to boost up the market sentiments. Soy oil prices are expected to move range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 324 per 10 kg. CNF prices for soy degum (Jan15/Feb15 Shipment) at Kandla were quoted at \$ 485 per tonne.

#### Soybean oil - Spot Market Price

(Rs. Per 10 kg)

Centres	25.01.06	24.01.06	Change
Mumbai (Soy Ref oil)+VAT	339	339	0
Indore (Soy Ref oil)	344	344	0
Indore (Solvent Ex. Oil)+VAT	320	323	-3
Kota (Soy Ref. Oil)	353	353	0
Jaipur (Soy Ref. Oil)	357	357	0
Chennai (Soy Ref Oil)	356	356	0
Hyderabad (Soy Ref)	365	362	+3
Rajkot (Soy Ref)+Tax	334	334	0

### Rape/Mustard oil

Today mustard oil prices on physical markets were range bound with weak sentiments amidst low demand at retail ends. Arrivals of new mustards seeds brought negative impact on its prices. Arrival of mustard seed prices in physical market were quoted remains in range of Rs 1400-1525 and 1730-1735 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 700-800 and 1400-1500 bags in Kota and Jaipur respectively. Arrivals of new mustard seeds were in range of 600-700 bags in Kota mandi today. February future prices of mustard seed settled marginally down, it was quoted at Rs 332 (-1.30) and Rs 339 (-0.9) for 20 Kg on Delhi and Hapur exchange respectively. Mustard oil prices are expected to move range bound with weak sentiments.

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

Centres	25.01.06	24.01.06	Change
Mumbai (Rape Expeller Oil)	374	374	0
Kota (Rape Expeller Oil)	360	362	-2
Jaipur (Rape Expeller Oil)	364	366	-2
Delhi (Rape Expeller Oil)	395	395	0
Neewai (Kachchi Ghani Rape Oil)	382	383	-1

### Groundnut Refine Oil

Today groundnut oil prices at spot market showed dull trend in most of the markets amidst low demand at retail ends. Groundnut oil prices of premium quality are not moving up due to huge availability of blended oil in the at low prices in the market. Arrivals of groundnut seeds in Gujarat were about 55000-60000 bags (1bags=35 Kg). Groundnut seeds prices were quoted Rs 333/20 Kg in Gujarat Mandi today. GN oil prices are expected to move range bound in near term.

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

Centres	25.01.06	24.01.06	Change
Mumbai	436	437	-1
Rajkot	442	445	-3
Andhra Region	435	435	0
Chennai	440	440	0

### Sunflower Refine Oil

Sunflower oil prices were showed lackluster in most of the physical markets today. Sunflower oil prices are not moving northwards due to harvesting pressure of groundnut seeds in Andhra Pradesh. CIF prices for Sunflowers (February Shipment) at Kandla port were quoted at \$ 534 per tonnes. Sunflower oil prices are expected to move range bound in near term.

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

Markets	25.01.06	24.01.06	Change
Mumbai +Vat	405	405	0
Chennai	435	435	0
Hyderabad +VAT	404	403	+1

### Cotton Refine Oil

Today cotton oil prices at physical markets were monotonous in most of the markets. Cotton oil prices were weak slightly in Gujarat mandi amidst low demands at retail ends and prices are declined of other edible oil in Gujarat. There was no fresh fundamental news to boost up the prices. Prices are expected to move range bound in near term.

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

Markets	25.01.06	24.01.06	Change
Mumbai	345	345	0
Hyderabad	350	350	0
Rajkot	339	341	-2

### NBOT Soy oil futures as on 25.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	345.70	345.50	346.30	345.10	345.50	-0.20	13440
Mar '06	347.80	348.30	348.60	347.50	348.10	+0.30	3780

### NCDEX Soy Futures Settle Marginally Lower

Soy oil future prices settled marginally lower at NCDEX on Wednesday. NCDEX February soy oil prices are settled lower Rs 0.20 at Rs 346.00 per 10 Kg, it was Rs 0.80 off the high and Rs 0.60 up from the low. Soy oil prices are expected to move range bound in near term.

### NCDEX Soy oil futures as on 25.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	346.20	346.40	346.80	345.40	346.00	2600	19780
Mar'06	348.00	348.05	349.00	347.60	347.90	2280	14560

### LATEST WEATHER WATCH (25.01.2006)

#### Forecast valid for next 72 hours

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

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

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

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

#### WARNING:

Ground frost is likely over some parts of Punjab and north Rajasthan during next 2 nights.

Source: IMD, GOI

**Forex Rates (As on 25.01.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.29
European Union	Euro	54.38
Japan	100 Yen	38.53
United Kingdom	Pound Sterling	79.01
Malaysia	Ringgit	11.80
China	CNY	5.48
Argentina	ARS	14.55
Brazil	BRL	19.75
Indonesia	1000 IDR	4.72

**PORT-WATCH (Latest):****Edible Oil**

'Global Neptune' from Indonesia has berthed at Mumbai Port and continues to deliver 9,233 MT of palm oil. Forbes Gokak agents is handling the vessel.

Delivery of 10,000 MT of palm oil is continuing at JN Port from the vessel 'Gulf Dove'.

Mundra Port is expecting 'Rising One' to load 3,000 MT of SBO. Atlantic agents will be handling the vessel.

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

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

'Florida' from Argentina is expected at Kandla Port to deliver 5,000 MT of SBO. The vessel will be handled by Interocean agents.

Marmugao Port is expecting 'Global Neptune' from Indonesia to discharge 3,478 MT of palm oil. Patvolk agents will be handling the vessel.

**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Florida	5000	SBO	Expected
Mundra Port	Rising One	3000	SBO	Expected
Kakinada	Spring Glory	6000	CPO	Expected
New Mangalore	Vernal Grace	6000	CPO	Arrived
Mumbai	Global Neptune	9233	Palm Oil	Arrived
JN Port	Gulf Dove	10000	Palm Oil	Arrived
Marmugao	Global Neptune	3478	Palm Oil	Expected

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