

VEGOIL

January 10, 2006

MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Refine Oil futures Settle Down
- BMD CPO 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. Stochastic is flatly upwards in the overbought region, indicates the possibility of trend reversal.
3. Close above 9 days EMA and 8 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 344.50, target near 345.70, put stop loss near=343.90.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	343.10	341.80	346.00	347.00

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 remains closed on Saturday and Sunday.

CBOT Soy oil futures as 06.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	22.95	23.00	23.15	22.75	22.75	-0.20
Mar '06	23.21	23.30	23.55	22.95	22.99	-0.22
May '06	23.55	23.68	23.82	23.30	23.32	-0.23
Jul '06	23.89	24.00	24.18	23.64	23.65	-0.24
Aug '06	23.99	24.10	24.14	23.75	23.75	-0.24
Sep '06	24.09	24.35	24.35	23.85	23.85	-0.24
Oct '06	24.20	24.40	24.45	24.00	24.00	-0.20
Dec '06	24.45	24.55	24.75	24.18	24.18	-0.27

CBOT remains closed on Saturday and Sunday.

BMD CPO Futures Settle Down

Today crude palm oil futures settled lower on the Bursa Malaysia Derivatives. The benchmark March CPO contract settled at MYR1423 a metric ton, down MYR10 from Previous closing prices, after moving in range of MYR1422 and MYR1431. CBOT soy oil future settled lower on Friday, it brought negative impact on palm oil future prices at BMD. Traders are waiting for official data (Malaysian Palm Oil Board) of December Production, Export and Stock data, which are due to release by January 11,2006. There is National Holiday (Id-ul-Zuha) in Malaysia on January 10,2006. Traders are not willing for fresh positions due to above-mentioned factors. Market expectations are for December output to be lower than November's 1.23 million tons.

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.

Government of India has revised base import duty w.e.f. January 2, 2006. Details are as follows:

(Unit: US \$/MT)

Items	Current Tariff (\$ / MT)	Previous Tariff rate	Change (US \$)
CPO	417	433	-16
RBD Palm Oil	432	435	-3
Other Palm Oil	425	434	-9
Crude Palm Olein	418	440	-22
RBD Palm Olein	421	445	-24
Other Palm Olein	420	443	-23
Crude Soybean Oils	497	510	-13

Source: PIB, GOI.

Palm Oil

Palm oil prices at physical market were remains range bound with weak sentiments today in most of the markets. CBOT future prices settled down on Friday. BMD crude palm oil future prices are settled lower today. There is duty free import of vanaspati from Sri Lanka, Nepal and Bhutan. Traders are waiting for official data (Malaysian Palm Oil Board) of December Production, Export and Stock data, which are due to release by January 11,2006. There is National Holiday (Id-ul-Zuha) in Malaysia on January 10,2006. 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 RBD Palmolein at \$ 390 per tonnes.

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

Centres	09.01.06	07.01.06	Change
Kandla CPO (5 % FFA)	327	326	+1
Kandla RBD Palmolein	358	356	+2
Mumbai RBD Palmolein	363	363	0
Chennai RBD Palmolein	371	371	0
Kakinada RBD Palmolein	355	355	0
Hyderabad RBD Palmolein+Tax	376	376	0

Soy oil

Today domestic soy oil prices range bound with weak sentiments. January soy oil prices are settled lower on NCDEX and NBOT today as compared to previous closing prices. CBOT soy future prices settled down on Friday. BMD Crude Palm Oil future prices are settled lower today. Today's arrivals of soybeans were 55000-60,000, 25000-30,000, 30000,15000-20,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra, Rajasthan and Gujarat markets. Arrivals of soybeans were about 5000-6000 bags in Kota only. Soybean seeds prices were quoted in Kota in range of Rs 1130-60 per quintal. Soy oil prices are expected to move range bound with weak sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 326 per 10 kg. CNF prices for soy degum (January Shipment) at Kandla were quoted at \$ 484per tonne.

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

Centres	09.01.06	07.01.06	Change
Mumbai (Soy Ref oil)+VAT	340	342	-2
Indore (Soy Ref oil)	341	342	-1
Indore (Solvent Ex. Oil)+VAT	320	318	+2
Kota (Soy Ref. Oil)	354	354	0
Jaipur (Soy Ref. Oil)	358	360	-2
Nagpur (Soy ref. Oil)	346	347	-1
Chennai (Soy Ref Oil)	354	355	-1
Hyderabad (Soy Ref)	378	378	0
Rajkot (Soy Ref)+Tax	338	338	0

Rape/Mustard oil

Mustard oil prices at physical market were lacklustre. Mustard seed prices were quoted in Kota and Jaipur Rs 1500-1520/quintal and 1720/quintal respectively. Today's arrivals of mustard seeds were 1000 bags and 2000 bags in Kota and Jaipur respectively. Harvesting of mustard seeds is expected to start from 3rd week of January in some parts of Rajasthan. Mustard oil prices are expected to move range bound.

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

Centres	09.01.06	07.01.06	Change
Mumbai (Rape Expeller Oil)	366	366	0
Kota (Rape Expeller Oil)	356	356	0
Jaipur (Rape Expeller Oil)	360	360	0
Delhi (Rape Expeller Oil)	382	385	-3
Neewai (Kachchi Ghani Rape Oil)	374	370	+4
Kota (Kachchi Ghani Rape oil)	370	370	0

Groundnut Refine Oil

Today groundnut oil prices at spot market observed that a dull trends in most of the markets. Arrivals of groundnut were around 70,000-75000 bags in Gujarat (1 bag= 35 Kg). According to traders, prices of GN oil may slightly improve in mid of January due to Makar Sankranti/Pongal festival is ahead. GN oil prices are expected to move range bound.

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

Centres	09.01.06	07.01.06	Change
Mumbai	445	445	0
Rajkot	460	460	0
Andhra Region	445	447	-2
Chennai	445	445	0

Sunflower Refine Oil

Sunflower oil prices at spot markets were steady in Mumbai and Chennai today. Sunflower oil prices improved slightly today amidst increased demands at retail ends because Pongal festival is ahead (Pongal is popular festival in South India). CIF prices for Sunflowers (January Shipment) at Kandla were quoted at \$ 562 per tonnes. Sunflower oil prices are expected to move range bound in near term.

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

Markets	09.01.06	07.01.06	Change
Mumbai	415	415	0
Chennai	450	450	0
Hyderabad	425	423	+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 edible oil in the market brought negative impact on its prices. There was no fresh

fundamental news for boosting cotton oil prices. Cotton oil prices are expected to range bound in near term.

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

Markets	09.01.06	07.01.06	Change
Mumbai	352	353	-1
Hyderabad	355	355	0
Rajkot	350	350	0

NBOT Soy oil futures as on 09.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	343.40	344.50	345.30	342.20	342.20	-1.20	7000
Feb '06	347.50	348.70	349.50	345.60	345.90	-1.60	32140

NCDEX Soy oil futures as on 09.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	345.20	346.70	343.70	344.25	344.25	3850	9440
Feb'06	348.35	350.20	346.20	346.65	346.65	10830	23720

LATEST WEATHER WATCH (09.01.2006)

Forecast valid for next 72 hours

NORTH: Isolated rain/snow likely over higher reaches of Jammu & Kashmir which is likely to increase on 12th & 13th and extend in to Himachal Pradesh and Uttaranchal . Weather will be mainly dry over the rest region.

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers are likely at a few places over Nicobar Islands and isolated over Andaman islands, Tamil Nadu and Pondicherry, Lakshadweep and Kerala. The rainfall activity over Tamil Nadu & Pondicherry and Kerala is likely to increase after 24 hours. Weather will be Mainly dry in the rest region.

WEST: Weather will be mainly dry over the region.

Low Temperature warning:

Ground frost is likely over some parts of Punjab ,Haryana, West Uttar Pradesh and north Rajasthan during next 2 nights.

Source: IMD, GOI

Forex Rates (As on 09.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.28
European Union	Euro	53.77
Japan	100 Yen	38.87
United Kingdom	Pound Sterling	78.42
Malaysia	Ringgit	11.82
China	CNY	5.50
Argentina	ARS	14.49
Brazil	BRL	19.44
Indonesia	1000 IDR	4.62

PORT-WATCH (Latest):

Edible Oil

Delivery of 2,000 MT of palm oil is continuing at Chennai Port from the vessel 'Ace 1'. Seaport agents is handling the vessel. The port is expecting the delivery of 1,860 MT of palm oil from the vessel 'Mega Crown 1'. The vessel will be handled by Seaport agents..

Kolkatta Port is receiving 6,000 MT of CPO from the vessel 'L Star'. Seaworld 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.

'Global Eos' from Indonesia has berthed at Mumbai Port and continues to deliver 7,299 MT of palm oil. Forbes Gokak agents is handling the vessel.

New Mangalore Port is expecting 'Champion Venture' to deliver 6,650 MT of SBO. Interocean agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	L. Star	6000	CPO	Arrived
	Laju Sejhtra	4500	CPO	Arrived
Mumbai	Global Eos	7299	Palm Oil	Arrived
Chennai	Mega Crown 1	1860	Palm Oil	Expected
	Ace 1	2000	Palm oil	Arrived
New Mangalore	Champion Venture	6650	SBO	Expected

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