

## VEGOIL

January 13, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Ref. Oil futures Settle Marginally Down
- CBOT Soy Futures End Lower
- BMD CPO Futures Settle Steady

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD is continued moving upwards above its signal line, there is no signal of reversal in the current trend.
2. %K line is moving downwards in neutral territory after crossing %D line from up, which indicates bearish sentiments.
3. Close below 9 days EMA and 18 days EMA, which indicates short term bearish trends.
4. Candlestick pattern shows the bearish market sentiments.

**Market Advice:** Market sentiments are expected to move range bound with weak sentiments. Go short near 343.50, target near 342.50, put stop loss near=343.90

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	342.40	341.80	344.00	345.00

#### 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 Soy Futures End Lower

Soy futures at Chicago Board of Trade settled lower ahead of USDA report. March soybean future settled off 5 cents at \$5.89 and May off 4 cents at \$5.99 per bushel. March soy meal closed off \$2.2 at \$182.4 per short ton and March soybean oil off 16 points at 22.43 cents per pound. Traders are expecting couple of data releases to come bit bearish due on Thursday. Traders are expecting that USDA could revise higher its estimates for stock of soybean in United State. Traders are not optimistic about any support to come from another quarterly report to be released on the same day. Traders are expecting grain stocks of soybean as on December 1st to be revised higher in quarterly grain report to 2.441 billion bushels, up against 3.043 billion bushels last year. However, rumors of china buying two cargos of soybean and weather reports calling for troublesome dryness and hot in middle of next week in Brazil were the two supportive factors help checking decline in its prices. In weekly export report, traders are expecting sale of US soybean to range in 4.5-6.5 lakh ton. Trade expectation for soy meal export sale ranges 0.75-1.25 lakh ton and for soy oil 4000-9000 ton.

#### CBOT Soy oil futures as 11.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	22.08	22.10	22.10	21.77	21.88	-0.20
Mar 06	22.43	22.33	22.33	22.07	22.15	-0.28
May'06	22.78	22.69	22.69	22.43	22.47	-0.31
Jul '06	23.13	22.98	23.00	22.79	22.89	-0.24
Aug'06	23.23	23.05	23.10	22.95	22.99	-0.24
Sep'06	23.34	23.25	23.30	23.10	23.11	-0.23
Oct '06	23.50	23.35	23.45	23.20	23.22	-0.28
Dec'06	23.75	23.60	23.63	23.38	23.42	-0.33

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Futures Settle Lower

South American soybeans future settled lower on Wednesday. March South Americans soybeans settled lower 5 cents at 6.15 per bushels. Traders attention are towards the weather situation of Argentina. It is expected that the Argentina will receive a 1-2 inch rain in this weekend; it would be helpful for soybean crop production in Argentina. However, hot and dry weather is still expected to continue in southern Brazil upto next week. Bird flu news remains as a potential negative force as well, with another outbreak confirmed in southwest China and two more human deaths. There have now been 5 deaths of 8 confirmed human cases in China. In spite of threatening weather in southern Brazil, the Vegetable Oils Industry Association in Brazil revised higher new crop production at 57.4 million tonnes from 57.1 million tonnes. December forecast and last year's crop was revised higher to 52.6 million tonnes from 51.9 previous forecast. The USDA has already pegged world ending stocks for soybeans at a record 48.11 million tonnes for the 2005-06 season, which

is up from 42.09 million tonnes last year and 35.18 million tonnes two years ago.

#### CPO Futures Settle Steady at BMD

Crude Palm oil futures at Bursa Malaysia Derivatives settled steady to higher amidst dearth of fresh fundamental news. Benchmark March future settled unchanged at MYR1417 per ton. Participants find it hard acquiring new positions, as both bullish and bearish factors appeared equally weighing. Couple of data released on Wednesday, though, were bearish, renewed hopes of likely increase in demand of palm oil for production of bio-fuel in coming months. Further, people are waiting for fresh leads from the USDA's monthly crop report.

BMD: CPO Futures (12.01.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1407	1403	1410	1403	1410	+3	153
Feb 06	1413	1410	1417	1409	1414	+1	1322
Mar 06	1417	1412	1422	1411	1417	0	4135
Apr 06	1420	1417	1426	1416	1421	+1	2337
May 06	1422	1422	1428	1421	1423	+1	156

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Palm oil prices at physical market were remains range bound with weak sentiments today in most of the markets. Palm oil prices were lackluster due to increasing stock of Malaysian palm oil. SGS estimates revealed low export of Malaysian palm oil. CBOT soy oil future prices settled down on Wednesday. FOB Prices at Kandla port also declined slightly today. Palm oil prices are expected to move range bound in near term.

FOB prices of CPO (January) were last quoted at \$ 357.50 per tonnes and RBD Palmolein at \$ 387.50 per tonnes.

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

Centres	12.01.06	11.01.06	Change
Kandla CPO (5 % FFA)	325	325	0
Kandla RBD Palmolein	353	355	-2
Mumbai RBD Palmolein	362	362	0
Chennai RBD Palmolein	370	370	0
Kakinada RBD Palmolein	354	355	-1
Hyderabad RBD Palmolein+Tax	373	374	-1

#### Soy oil

Today domestic soy oil prices continue to range bound with weak sentiments in most of the markets with low demands at retail ends. January soy oil future prices opened firmly and declined at the end of the session. January soy oil prices settled lower on NCDEX today as compared to previous closing prices. CBOT soy oil future prices settled down on Wednesday. Today's arrivals of soybeans were 40000-45,000, 20,000, 25000, 15,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra, Rajasthan and Gujarat markets. Arrivals of soybeans were about 6000 bags in Kota only. Soy oil prices are expected to move range bound with weak sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 322 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	12.01.06	11.01.06	Change
Mumbai (Soy Ref oil)+VAT	338	338	0
Indore (Soy Ref oil)	344	344	0
Indore (Solvent Ex. Oil)+VAT	321	319	+2
Kota (Soy Ref. Oil)	354	355	-1
Jaipur (Soy Ref. Oil)	358	358	0
Nagpur (Soy ref. Oil)	344	344	0
Chennai (Soy Ref Oil)	354	354	0
Hyderabad (Soy Ref)	366	372	-6
Rajkot (Soy Ref)+Tax	336	336	0

#### Rape/Mustard oil

Mustard oil prices at physical market were range bound with positive sentiments. Mustard oil prices are improved slightly. There is news that the mustard crop is damaged about 10 to 15 per cent due to frost injury. Mustard seed prices were quoted in Kota and Jaipur Rs 1480-1510/quintal and 1710/quintal respectively. Arrival of mustard seed is declined today as compared to yesterday. Today's arrivals of mustard seeds were 800 bags and 2000 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	12.01.06	11.01.06	Change
Mumbai (Rape Expeller Oil)	368	367	+1
Kota (Rape Expeller Oil)	358	355	+3
Jaipur (Rape Expeller Oil)	362	362	0
Delhi (Rape Expeller Oil)	385	382	+3
Neewai (Kachchi Ghani Rape Oil)	375	375	0
Kota (Kachchi Ghani Rape oil)	375	372	+3

#### Groundnut Refine Oil

Groundnut oil prices at spot market were lacklustre due to low demands at retail ends. Demand for GN oil slightly declined because festival demands are over in major parts of India. There is another reason to decline of groundnut oil prices due to mixing of low priced oil in GN oil like soy oil. The arrivals of groundnut seeds in were 70000-75000 bags (1 bags =35 Kg) today in Rajkot mandi. GN oil prices are expected to move range bound with weak sentiments.

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

Centres	12.01.06	11.01.06	Change
Mumbai	442	443	-1
Rajkot	452	452	0
Andhra Region	445	443	+2
Chennai	445	445	0

#### Sunflower Refine Oil

Market sentiments of sunflower oil at spot markets were weak slightly. Sunflower oil is expected to import about 29000 metric tonnes at Mundra port and 8500 metric

tonnes already arrived at Chennai port. Sunflower oil prices are went up down slightly due to more import of Sunflower oil. There is huge availability of low priced oil as compared to sunflower oil like cotton oil and soy oil in the markets is another cause to decline the mustard oil prices. CIF prices for Sunflowers (January Shipment) at Kandla were quoted at \$ 550 per tonnes. Sunflower oil prices are expected to move range bound with weak sentiments in near term.

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

Markets	12.01.06	11.01.06	Change
Mumbai	398	400	-2.
Chennai	448	448	0
Hyderabad	420	425	-5

#### Cotton Refine Oil

There is no significant change in cotton oil prices at physical markets today. Festival demands are likely over and there were no fresh news to boost up to its prices. There were good arrival of cottonseeds and huge availability of other edible oil in the market. Cotton oil prices are expected to move range bound with weak sentiments in near term.

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

Markets	12.01.06	11.01.06	Change
Mumbai	352	350	+2
Hyderabad	352	352	0
Rajkot	345	345	0

#### NBOT Soy oil futures as on 12.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	343.00	0.00	343.80	0.00	343.80	+0.80	0
Feb '06	345.90	347.00	347.00	345.30	345.30	-0.60	24630

#### NCDEX Soy oil futures as on 12.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	343.95	343.55	344.40	342.80	343.00	1190	8090
Feb'06	346.45	347.25	347.25	345.00	345.05	6050	22920

#### 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.

Delivery of 8,500 MT of sun flower oil is completed at Chennai Port from the vessel 'Bunga Marwar'. GAC agents is 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.

'Golden Crown' has berthed Kakkinada Port and continues to deliver 4,000 MT of CPO. Kakkinada Port received 4,000 MT of CPO from the vessel 'Ace I'.

Delivery of 6,000 MT of CPO is continuing at New Mangalore Port from the vessel 'Vernal Grace'. James Mackintosh agents will be handling the vessel.

'Aditi' is expected at JN Port to deliver 20,000 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	Stolt Excelence	13047	SBO	Arrived
	Laju Sejhra	4500	CPO	Arrived
JN Port	Aditi	20000	CPO	Expected
Mundra Port	Florida	29000	SBO	Expected
New Mangalore	Vernal Grace	6000	CPO	Arrived
	Mega Crown 1	1860	Palm Oil	Expected
Chennai	Bunga Marwar	8500	SFO	Arrived
	Ace I	4000	CPO	Expected
	Golden Crown	4000	CPO	Arrived

#### Forex Rates (As on 12.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.15
European Union	Euro	53.63
Japan	100 Yen	38.75
United Kingdom	Pound Sterling	77.98

Malaysia	Ringgit	11.79
China	CNY	5.47
Argentina	ARS	14.45
Brazil	BRL	19.33
Indonesia	1000 IDR	4.70

#### LATEST WEATHER WATCH (12.01.2006)

Forecast valid for next 72 hours

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

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

**SOUTH :** Rain/thundershowers are likely **at a few places** over southern parts of Tamil Nadu and Kerala. **Isolated rain/thundershowers** likely over rest Tamil Nadu & Pondicherry, Kerala, Andaman & Nicobar Islands and Lakshadweep. 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 and North Rajasthan, during next 1-2 nights.

Source: IMD, GOI

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