

## VEGOIL

February 20, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Oil Futures Settle Up
- NCDEX March Contract Soy Oil Prices Settle Up

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD is moving upwards continuously in positive zone, which indicates bullish market sentiments.
2. %K line is moving upwards in overbought zone after crossing % D line, which indicates bullish market sentiments and there is possibility of technical correction also.
3. Prices closed far above 9 days (371.71) and 18 days (365.46) EMA, which indicates bullish market sentiments.

4. Candlestick pattern shows bullish market sentiments.

**Market Advice:** Go long with cautions. Buy near 381.50, target near 383.00, put stop loss at 380.70.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	377.40	374.40	382.90	385.40

#### 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 Oil Futures Settle Up

Soy future settled high at Chicago Boards of Trade on Friday. March Soybeans closed up 9.75 cents at \$6.0125/bushel, 1.75 cents off the high and 11.25 cents up from the low. May Soybeans settled up 10.25 cents at \$6.1425, which was 12 cents up from the low and 2.50 cents off the high. March Soybean Oil settled up 0.76 cents at 23.33 cents/pound, 0.06 cents off the high and 0.58 cents up from the low. Stressful conditions for the Argentina soybean crop for at least for a week remain the key issue for surging the market up. Firmness in other commodity markets also provides underlying support for its firmness. Sellers remain dormant in cash market, which further helped the market to go up. Recent energy crisis from Iran and terrorist threat in Nigeria helped further to boost the market up.

#### CBOT Soy oil futures as 17.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	22.57	22.75	23.39	22.75	23.33	+0.76
May '06	22.98	23.22	23.80	23.22	23.71	+0.73
Jul '06	23.35	23.70	24.15	23.65	24.07	+0.72
Aug '06	23.50	23.85	24.19	23.80	24.19	+0.69
Sep '06	23.64	24.10	24.32	23.95	24.32	+0.68
Oct '06	23.80	24.25	24.48	24.08	24.48	+0.68
Dec '06	24.11	24.40	24.90	24.33	24.69	+0.58

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Futures Settle Higher

South American soybean futures settled high on Friday. March South American soybeans settled 3 cents higher at \$6.40/bushel and managed to reach highest level since January 5th. Taiwan bought 40,000-60,000 tonnes of Brazil soybeans overnight and as soon the harvesting will start, world buyers are expected to shift demand to South America. The Argentina weather forecast concern helped to provide some support to the market. Other market looks supportive which further added to its bullish tone. Funds were noted buyers of nearly 2,000 soybeans, 1,000 meals and 2,500 oil showing positive sentiments. Due to possible oil crisis, the prices of oil were high which indirectly helped to boost the market up for soybean. Rumours about China purchasing few cargoes of US soybeans previous day further helped the market up.

#### BMD remains close on Saturday and Sunday

#### BMD: CPO Futures (17.02.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar '06	1485	1477	1479	1464	1470	-15	1901
Apr '06	1489	1488	1489	1474	1482	-7	4132
May '06	1491	1491	1493	1479	1488	-3	5583
Jun '06	1492	1492	1493	1481	1491	-1	1626
Jul '06	1493	0	1493	0	1493	0	0

BMD remains closed on Saturday and Sunday.

#### GOI: Raises Base Import Prices on Edible Oils

Government of India raised base import prices on edible oil on February 15, 2006. Government of India raised base import prices on Crude Soybean Oil at \$501/ton (+17) from \$ 484/ton, Crude Palm Oil at \$ 426 /ton (+14) from \$ 412/ton, RBD Palm Oil at \$ 441/ton (+14) from \$ 427/ton, Crude Palmolein at \$ 448/ton (+14) from \$ 434/ton, RBD Palmolein at \$ 451/ton (+14) from \$ 437/ton, Other palm oil at \$ 434/ton (+14) from \$ 420/ton and Other palmolein at \$ 450/ton (+14) from \$ 436/ton. Base import prices are used by the government of India to calculate import duties regardless of the actual market prices of the commodities. Revised tariff values of various edible oils as shown in the table below.

**Table: Government of India has revised base import prices:**

Commodities	Current Tariff Rate	Previous Tariff Rate	Change (US \$)
Crude Soybean Oils	501	484	+17
CPO	426	412	+14
RBD Palm Oil	441	427	+14
Crude Palm Olein	448	434	+14
RBD Palm Olein	451	437	+14
Other Palm Oil	434	420	+14
Other Palmolein	450	436	+14

The revised value is effective from today i.e., Feb 15, 2006. Source: PIB

#### Palm Oil

Today palm oil prices on spot markets were range bound with mixed sentiments. There was no fresh fundamental news to boost up palm oil prices. Lower import of palm oil and improvement in soy oil prices brought positive impact on its prices in some markets. Palm oil prices are expected to move range bound with positive sentiments in coming days.

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

Centres	18.02.06	17.02.06	Change
Kandla CPO (5 % FFA)	352	350	+2
Kandla RBD Palmolein	364	364	0
Mumbai RBD Palmolein	371	372	-1
Chennai RBD Palmolein	378	378	0
Kakinada RBD Palmolein	365	364	+1
Hyderabad RBD Palmolein	378	378	0

#### Soy oil

Today soybean oil prices on domestic spot markets improved slightly in most markets due to raised base import prices on soybean oil and lower import of edible oil as compared to previous years. NCDEX and NBOT March contract soy oil prices settled higher as compared to previous closing prices. Sharp improvement in Vayda Bazaar brought positive impact on spot markets. Today's arrivals of soybean were 90000-100000 bags (1 bags=85 Kg) in major markets of India. Arrivals in Kota Mandi were 5000 bags only. Today soybeans prices on spot market were quoted in range of Rs 1170-85/qlt in Kota mandi, it is higher as compared to previous trading day. Soy oil prices

are expected to improve further only because traders are expecting another hike in base import prices by GOI in current budget.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 345 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 555 per tonne.

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

Centres	18.02.06	17.02.06	Change
Mumbai (Soy Ref oil)+VAT	361	361	0
Indore (Soy Ref oil)	368	366	+2
Indore (Solvent Ex. Oil)+VAT	340	339	+1
Kota (Soy Ref. Oil)	375	375	0
Jaipur (Soy Ref. Oil)	378	378	0
Chennai (Soy Ref Oil)	372	372	0
Hyderabad (Soy Ref)	376	370	+6
Rajkot (Soy Ref)+Tax	360	356	+4

#### Rape/Mustard oil

Today mustard oil prices on spot markets improved slightly in most markets. Today mustard seeds prices on spot markets were quoted in range of Rs 1480-1510 and Rs 1720 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 12,000-13,000 bags and 5,000 bags in Kota and Jaipur mandi respectively. Total arrivals of mustard seeds were about 80,000 bags in Rajasthan today. Mustard oil prices improved today, despite more supply of mustard seeds only due to lower import of edible oil and raises base import prices on edible oil. Mustard seed prices of May contract also improved today on different exchange. May contract mustard seed prices settled at 39.50 (+0.50), 348.50 (+0.30) and 333.10 (+0.40) in Delhi, Hapur and Hisar respectively. The above-mentioned factors brought positive impact on its prices on spot markets. Mustard oil prices are expected to move range bound in near term.

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

Centres	18.02.06	17.02.06	Change
Mumbai (Rape Expeller Oil)	373	372	+1
Kota (Rape Expeller Oil)	367	365	+2
Jaipur (Rape Expeller Oil)	370	368	+2
Delhi (Rape Expeller Oil)	389	389	0
Neewai (Kachchi Ghani Rape Oil)	377	380	-3

#### Groundnut Refine Oil

Today groundnut oil prices on spot market moved up slightly in most markets. Groundnut oil prices followed the soy oil prices. Improvement in soy oil prices on Vayda Bazaar as well as spot markets brought positive impact on GN oil prices. Groundnut prices were quoted at Rs337/20 kg in Rajkot mandi today; it is improved slightly as compared to previous trading day. Arrivals of groundnut seeds in Gujarat remain at 40000-45000 bags (1bags=35 Kg). GN oil prices are expected to move range bound in near term.

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

Centres	18.02.06	17.02.06	Change
Mumbai	438	438	0
Rajkot	440	438	+2
Andhra Region	445	440	+5
Chennai	440	440	0

#### Sunflower Refine Oil

Sunflower oil prices on physical markets went up in most of markets due to low import of edible oil and hike in base import prices on edible oil. CIF prices for sunflowers (February Shipment) at Kandla port were quoted at \$ 574 per tonnes; it is increased \$ 13 /ton as compared to previous trading day. The above-mentioned factors brought positive impact on its prices. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	18.02.06	17.02.06	Change
Mumbai +Vat	409	405	+4
Chennai	435	430	+5
Hyderabad	435	428	+7

#### Cotton Refine Oil

Today cotton oil prices on domestic spot market improved with positive sentiments in most markets. Cotton oil prices followed the soy oil prices. Higher soy oil prices on spot market prices brought positive impact on cotton oil prices. Another reason for improves the cotton oil prices due to low arrivals of cottonseeds in Madhya Pradesh. Prices are expected to move range bound with positive sentiments in near term.

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

Markets	18.02.06	17.02.06	Change
Mumbai	370	370	0
Hyderabad	374	369	+5
Rajkot	358	354	+4

#### NBOT Soy oil futures as on 18.02.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	379.10	382.20	384.00	382.10	382.20	+3.10	35880
Apr '06	381.20	385.00	386.10	384.90	384.90	+3.70	440

#### NCDEX Soy Oil Futures Settle Higher Sharply

Soy oil futures prices settled higher sharply at NCDEX on Saturday due to higher settlement of soy oil futures prices on CBOT and hike in base import prices on edible oil by GOI on Feb 15, 2006 and traders are in hope that GOI may hike again base import prices on edible oil to protect mustard oil prices. NCDEX March soy oil contract prices settled higher Rs 3.35 at Rs 382.00/10 Kg, it was Rs 1.80 off the high and Rs 2.75 up from the low after moving in between of Rs 379.25 to Rs 383.80. Soy oil prices are expected to move range bound with positive sentiments in near term.

### NCDEX Soy oil futures as on 18.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	366.55	368.00	370.90	368.00	369.90	990	2380
Mar'06	378.65	379.25	383.80	379.25	382.00	15980	28460

### Forex Rates (As on 18.02.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.34
European Union	Euro	52.79
Japan	100 Yen	37.53
United Kingdom	Pound Sterling	77.17
Malaysia	Ringgit	11.92
China	CNY	5.51
Argentina	ARS	14.50
Brazil	BRL	20.95
Indonesia	1000 IDR	4.80

### PORT-WATCH (Latest):

#### Edible Oil

Kandla Port is receiving 7,000 MT of CPO from the vessel 'Golden Crane'. The cargo was loaded from Malaysia. Atlantic agents is handling the vessel.

Delivery of 7,294 MT of CPO is continuing at Kolkata Port from the vessel 'Spring Wind'. Seaworld agents is handling the vessel. 'Bunga Melati Dua' has berthed at Kolkata Port and is continuing to discharge 20,942 MT of SBO. Delivery of 15,500 MT of SBO is continuing at the port from the vessel 'Mountain Blossom'. Kolkata Port is receiving 5,500 MT of SBO from the vessel 'Rising One'. Atlantic agents is handling the vessel. 'Tirta Niaga 2' has berthed at the port and continues to deliver 6,000 MT of CPO. The vessel is being handled by GAC agents. 'Vernal Grace' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. The vessel is being handled by Atlantic agents.

New Mangalore Port is receiving 6,000 MT of CPO from the vessel 'L Star'. Seaworld agents is handling the vessel. 'Champion Vincita' is expected at New Mangalore Port to deliver 5,000 MT of SBO. Interocean agents will be handling the vessel.

Kakkanada Port is expecting 'Isokaze' to discharge 7,000 MT of SBO.

'Bunga Melati Dua' is expected at Chennai Port to discharge 9,000 MT of sun flower oil. GAC agents will be handling the vessel.

Mormugao Port is expecting 'Global Eos' to deliver 3,500 MT of CPO. The cargo was loaded from Indonesia. Patvolk agents will be handling the vessel.

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

'Nolowati' is expected at Mumbai Port to discharge 11,000 MT of CPO.

Delivery of 6,000 MT of palm oil is expected at Tuticorin Port from the vessel 'MMM Houston'. Seaport agents will be handling the vessel.

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Cochin	Rising One	3000	SBO	Expected
Mormugao	Global Eos	3500	CPO	Expected
Chennai	Bunga Melati Dua	9000	SFO	Expected
Kolkata	Rising One	5500	SBO	Arrived
	Tirta Niaga 2	6000	CPO	Arrived
	Vernal Grace	6000	CPO	Arrived
	Bunga Melati Dua	20942	SBO	Arrived
	Mountain Blossom	15500	SBO	Arrived
	Spring Wind	7294	CPO	Arrived
Tuticorin	MMM Houston	6000	Palm Oil	Expected
Kandla	Golden Crane	7000	CPO	Arrived
Kakinada	Isokaze	7000	SBO	Expected
Mumbai	Nolowati	11000	CPO	Expected
New Mangalore	Champion Vincita	5000	SBO	Expected
	L-Star	6000	CPO	Arrived

### LATEST WEATHER WATCH (18.02.2006)

#### Forecast valid for next 72 hours

**NORTH WEST INDIA:** Scattered rain/snow likely over Jammu & Kashmir and isolated Himachal Pradesh and Uttaranchal. Mainly Dry weather over the rest regions. Night temperatures are likely to remain significantly above normal and day temperatures are likely to fall by 2-3°C during next 2-3 days.

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

**NORTHEAST INDIA:** Rain/thundershowers are likely over at a few places over Assam & Meghalaya and Arunachal Pradesh and isolated over the rest region.

**SOUTH INDIA:** Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region. Night temperatures over the Peninsula are likely to remain near normal.

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

**CENTRAL INDIA:** Weather will be mainly dry over the region. Day and Night temperatures over Madhya Pradesh and Chhattisgarh are likely to remain significantly above normal.

**Source:** IMD, GOI

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