

## VEGOIL

February 25, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Mixed
- BMD CPO Futures Settle Surged Higher
- NCDEX March Contract Soy Oil Prices Settle Marginally Lower

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD is moving downwards after crossing its signal line, which indicates bearish market sentiments.
2. %K line continues to move downwards in neutral zone after crossing % D line, which indicates bearish market sentiments.
3. Prices closed near to 9 days EMA (373.01) and above 18 days (369.06) EMA, which indicates slightly bearish market sentiments.

4. Candlestick formed spinning top pattern, which indicates indecisive market.

**Market Advice:** Market is indecisive. It would be better to stay away from the markets.

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

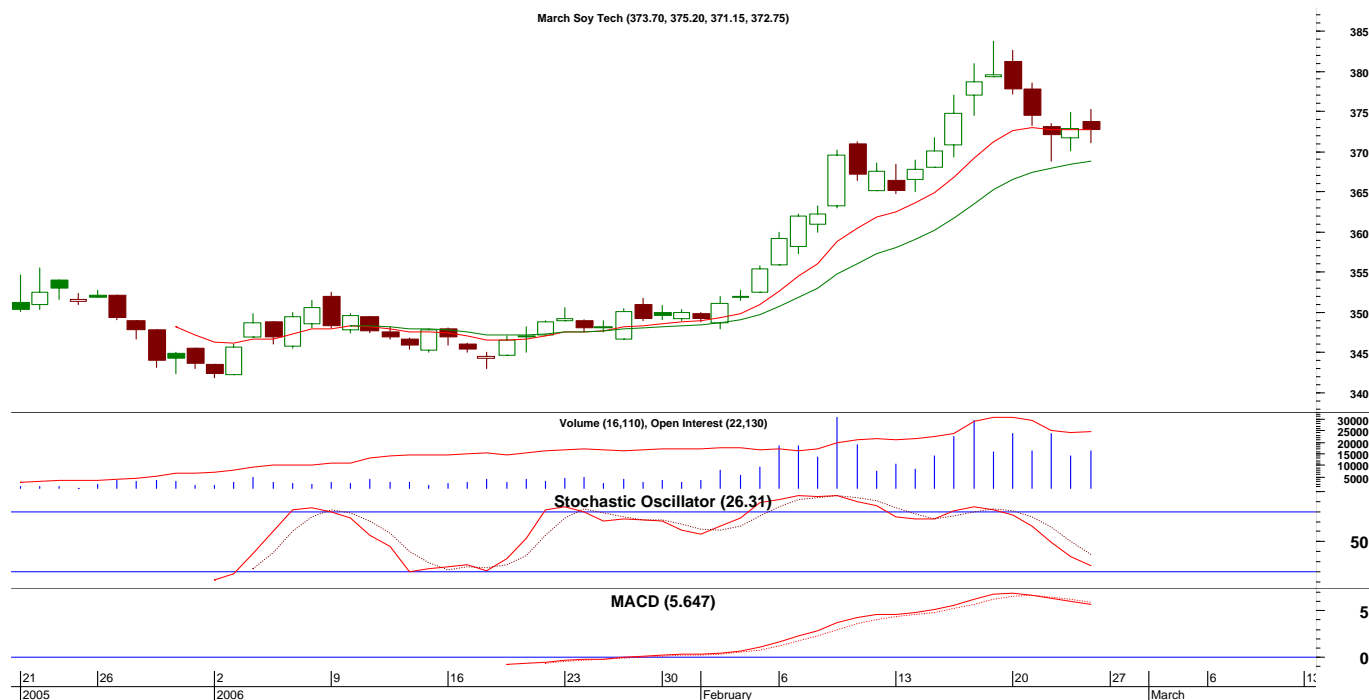
Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	371.00	369.00	374.90	377.00

#### 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 Settle Mixed

Soy futures settled mixed at Chicago Board of Trade on Thursday. March Soybeans settled down 2.25 cents at \$5.7175/bushel, 5.75 cents off the high and 1.25 cents up from the low. May Soybeans settled down 1.75 cents at \$5.84/ bushel, which was 1.75 cents up from the low and 6.25 cents off the high. March Soybean finished down \$0.9 at \$174.8/ton that was \$0.4 up from the low and \$1.2 off the high. March Soybean Oil finished up 0.01 cents at 22.76 cents/pound, 0.31 cents off the high and 0.19 cents up from the low. Forecast for more rain in next week help to pull the market down and had bearish impact on the market. Bird flu factor severely hit the soy meal demand from feed industry and talk about cancellation of European consignment of soy meal from Brazil pull down the market to the lowest level since December 8th. Soy oil got some support from fund buying that results into its improvement. The Census crush report reveals January soybeans crushed at 151.49 million bushels as compared to the trade expectations near 152 million bushels. Meal stocks remain at 324,402 tonnes from expected 310,000-365,000 tonnes and oil stocks were at 2.477 billion pounds from expectations of 2.475 to 2.52 billion. Traders are Expecting for soybean sales from weekly export sales report between 400,000-600,000 tonnes as compared with 529,700 tonnes last week. Meal sales are expected in between 75,000-125,000 tonnes with oil near 1,000-6,000 tonnes.

#### CBOT Soy oil futures as 23.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar 06	22.75	22.70	23.07	22.57	22.76	+0.01
May'06	23.14	23.08	23.47	22.96	23.14	0.00
Jul '06	23.52	23.45	23.83	23.33	23.50	-0.02
Aug'06	23.67	23.60	23.95	23.50	23.64	-0.03
Sep'06	23.81	23.65	24.05	23.65	23.79	-0.02
Oct '06	23.99	0.00	0.00	0.00	23.95	-0.04
Dec'06	24.22	24.20	24.58	24.12	24.20	-0.02

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Futures Settle Down

March South American soybeans settled 13.50 cents lower on Thursday to \$6.2250/ bushel, which is down compared to previous closing. Bird flu severely hit the short-term demand of soy meal in international market, which pulls the market down. Harvesting of soybean in Brazil is taking pace, which further pressurized the market. Bountiful production with increased arrivals lowers the South American futures. Rain and cooler temperature this week coupled with additional rain in early next week lowers stress on crop in Argentina. Talk about European feed companies to cancelled or moved foreword meal consignment was seen as a bearish factor as well.

#### CPO Futures Settle Sharply Up at BMD

Crude palm oil futures at Bursa Malaysia Derivatives settled up on Friday. Benchmark May CPO contract settled at the day's high of MYR1492 a metric ton, up MYR25 from previous closing. Gains on BMD futures were mostly

accrued in last hour of the session. Key factors were articulations posted by renowned analysts at annual price conference and revamping hopes for its perspectives in lieu of biodiesel demand. The annual price outlook conference had started late on Wednesday and was concluded in the afternoon today. There was no clear signal out of what Dorab Mistry said. Mistry gave wide range of MYR1400-1600 for CPO during 2006. However, Thomas Mielke appeared with its usual bullish slant. Mielke forecast likely range for CPO during 2006 between MYR 1420-1600 and added further room for gains in its prices if any thing goes wrong with weather. Traders, further, are optimistic about friendly export data to be released by cargo surveyors SGS and Intertek on Monday. Traders are expecting figures to come in the range of 7.75-8.00 lakh ton.

BMD: CPO Futures (24.02.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Mar 06	1448	1451	1466	1451	1466	+18	237
Apr 06	1463	1469	1485	1467	1485	+22	289
May 06	1467	1474	1492	1472	1492	+25	2180
Jun 06	1472	1477	1496	1477	1496	+24	342
Jul 06	1473	1477	1495	1477	1495	+22	7

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Today palm oil prices on spot markets showed lacklustre in most markets. BMD CPO futures settled higher on Friday with bullish news from annual price outlook conference. Ashok lahiri Committee suggested to reduce the palm oil duty for making a uniformity of tariff rate. There was high volatility in soy oil prices on NCDEX. There was no fresh fundamental news to push or pull the palm oil prices on spot markets. Palm oil prices are expected to move range bound in near term.

FOB prices of CPO (February) were quoted at \$ 395 per tonnes and February RBD Palmolein at \$ 415 per tonnes.

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

Centres	24.02.06	23.02.06	Change
Kandla CPO (5 % FFA)	350	350	0
Kandla RBD Palmolein	365	364	+1
Mumbai RBD Palmolein	365	365	0
Chennai RBD Palmolein	378	378	0
Kakinada RBD Palmolein	361	362	-1
Hyderabad RBD Palmolein	378	376	+2

#### Soy oil

Today soybean oil prices on domestic spot markets were range bound with weak sentiments in most markets. NCDEX and NBOT March contract soy oil prices open firm and settled marginally lower as compared to previous closing prices. Today's arrivals of soybean were 38000-40000, 10000-12000 and 8000-10000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. Arrivals in Kota Mandi were 3000 bags only. Today soybeans prices on spot market were quoted in range of Rs 1130-50/qlt in Kota mandi. Today soy oil prices were quoted Rs 368 and Rs 372 per 10 kg in Kota and

Jaipur respectively. Soy oil prices are expected to move range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 342 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 520 per tonne.

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

Centres	24.02.06	23.02.06	Change
Mumbai (Soy Ref oil)+VAT	356	356	0
Indore (Soy Ref oil)	357	360	-3
Indore (Solvent Ex. Oil)+VAT	334	334	0
Kota (Soy Ref. Oil)	368	370	-2
Jaipur (Soy Ref. Oil)	372	374	-2
Chennai (Soy Ref Oil)	372	372	0
Hyderabad (Soy Ref)	372	372	0
Rajkot (Soy Ref)+Tax	355	352	+3

#### Rape/Mustard oil

Today mustard oil prices on spot markets moved down sharply in most markets. Today mustard seeds prices on spot markets were quoted in range of Rs 1430-1450 and Rs 1645-50 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 15,000 bags and 7,000 bags in Kota and Jaipur mandi respectively. Total arrivals of mustard seeds were about 1,25,000 bags in Rajasthan. Harvesting pressure brought negative impact on its prices in most markets. Mustard oil prices are expected to move range bound with weak sentiments in near term.

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

Centres	24.02.06	23.02.06	Change
Mumbai (Rape Expeller Oil)	362	368	-6
Kota (Rape Expeller Oil)	348	358	-10
Jaipur (Rape Expeller Oil)	355	363	-8
Delhi (Rape Expeller Oil)	378	380	-2
Neewai (Kachchi Ghani Rape Oil)	368	368	0

#### Groundnut Refine Oil

Today groundnut oil prices on spot market shows mixed sentiments. Groundnut seeds were quoted Rs332/20 kg in Rajkot Mandi, it is slightly increased from previous trading day. Arrivals of groundnut seeds in Gujarat are about 38000-40000 bags (1bags=35 Kg), it is slightly declined as compared to previous trading day. GN oil prices are expected to move range bound in near term.

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

Centres	24.02.06	23.02.06	Change
Mumbai	432	435	-3
Rajkot	436	433	+3
Andhra Region	445	443	+2
Chennai	435	440	-5

#### Sunflower Refine Oil

Sunflower oil prices on physical markets were likely steady with weak sentiments. Harvesting of sunflower crop is going on in Karnataka and Andhra region. Sunflower oil is imported about 16000 metric ton at JN Port. The above-mentioned factors brought negative impact on its prices. CIF prices for sunflowers (March Shipment) at Kandla port were quoted at \$ 566 per tonnes, it is slightly declined as compared to yesterday. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	24.02.06	23.02.06	Change
Mumbai +Vat	406	409	-3
Chennai	435	435	0
Hyderabad	425	425	0

#### Cotton Refine Oil

Today cotton oil prices on domestic spot market range bound with positive sentiments in most markets. Lower supply of ground seeds brought positive sentiments on its prices. Cotton oil prices are expected to move range bound in near term.

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

Markets	24.02.06	23.02.06	Change
Mumbai	361	360	+1
Hyderabad	365	362	+3
Rajkot	353	353	0

#### NBOT Soy oil futures as on 24.02.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	372.30	373.70	375.30	371.40	372.80	+0.50	32700
Apr '06	376.50	377.50	378.50	375.30	376.60	+0.10	800

#### NCDEX Soy Oil Futures Settle Marginally Lower

Soy oil futures prices settled marginally lower at NCDEX on Friday. NCDEX March soy oil contract prices settled marginally lower Rs 0.05 at Rs 372.75/10 Kg, it was Rs 2.40 off the high and Rs 1.60 up from the low after moving in between of Rs 371.15 to Rs 375.20. Soy oil prices are expected to move range bound in near term.

#### NCDEX Soy oil futures as on 24.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Mar'06	372.80	373.70	375.20	371.15	372.75	16110	22130
Apr'06	376.70	377.30	379.40	374.70	376.00	6160	22980

#### LATEST WEATHER WATCH (24.02.2006)

Forecast valid for next 72 hours

**NORTH-WEST INDIA:** Rain/snow likely at a few places over Jammu & Kashmir and isolated over Himachal Pradesh and Uttaranchal Isolated rain/ thundershowers

over Punjab and north Haryana on 26<sup>th</sup>. Mainly Dry weather over the rest region.

**EAST INDIA:** Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region. Day & night temperatures are likely to remain 4-6°C above normal.

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

**SOUTH INDIA:** Isolated rain/thundershowers likely over Andaman & Nicobar Islands. Weather will be mainly dry over the rest region. Day temperatures likely to remain 2-3° C above normal. Night temperatures are likely to remain 2-3° C below normal.

**WEST INDIA:** Weather will be mainly dry over the region. Day and Night temperatures likely to remain markedly above normal over many parts of the region.

**CENTRAL INDIA:** Weather will be mainly dry over the region. Day temperatures are likely to remain 6-8° C above normal over the region

Source: IMD, GOI

### PORT-WATCH (Latest):

#### Edible Oil

Delivery of 4,586 MT of CPO is continuing at Kolkata Port from the vessel 'Feng Sheng You 2'.

'Nolowati' has berthed at Mumbai Port and is continuing to discharge 11,000 MT of CPO. The vessel is handled by Atlantic agents.

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

Delivery of 12,250 MT of CPO is expected at Kandla Port from the vessel 'Global Triton'. The cargo was loaded from Padang. Forbes Gokak agents will be handling the vessel.

JN Port is expecting 'Palauque' to discharge 16,000 MT of sun flower oil. The cargo was loaded from Argentina. Interocean agents is handling the vessel.

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.

'Nolowati' is expected at Mundra Port to discharge 7,000 MT of CPO. Atlantic agents will be handling the vessel.

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mormugao	Global Eos	3500	CPO	Arrived
Kolkata	Feng Sheng You 2	4586	CPO	Arrived
Tuticorin	MMM Houston	6000	Palm Oil	Expected
Kandla	Global triton	12250	CPO	Expected
Mumbai	Nolowati	11000	CPO	Arrived
JN Port	Palauque	16000	SFO	Arrived
Mundra	Nolowati	7000	CPO	Expected

### Forex Rates

(As on 24.02.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.50
European Union	Euro	52.99
Japan	100 Yen	38.10
United Kingdom	Pound Sterling	77.87
Malaysia	Ringgit	11.95
China	CNY	5.52
Argentina	ARS	14.43
Brazil	BRL	20.76
Indonesia	1000 IDR	4.79

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