

## VEGOIL

February 02, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Mixed
- NCDEX February Soy Oil Future Prices Settle Down

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD has just turned slight downwards, but still above its signal line, which is hinting weak market sentiments in medium terms.
2. %K line is moving southwards after crossing % D line from above in neutral zone, which indicates bearish market sentiments.
3. Prices close below 9 days (346.46) and 18 days EMA (346.30), which indicates bearish market sentiments.
4. Candlestick pattern shows bearish trends.

All technical indicators indicates the bearish sentiments

**Market Advice:** Market is expected to move range bound with weak sentiments. Sell near 346.50, target near 345.60 and put stop loss at 346.90.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	345.50	344.80	347.30	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 Mixed

March Soybeans settled down 4.50 cents at \$5.9425/bushel, 4.75 cents off the high and 3.75 cents up from the low. May Soybeans closed down 2.75 cents at \$6.0675/bushel, which was 4.75 cents up from the low and 3.25 cents off the high. March Soybean Oil settled up 0.15 cents at 22.35 cents/pound, 0.05 cents off the high and 0.26 cents up from the low. Weather forecast news indicates the chances of rain in the dry areas of Argentina, which initially leads to support bears in the market. Later on the prices improved slightly for the reason being strength in wheat and corn futures coupled with the talk of fund buying with traders. However, there was minor improvement the market could not able to revamp again for the reason of expectation of showers in dry region. Slow export to china and waiting of buyers for cheap South American soybean could be the other reasons for the downward movement.

#### CBOT Soy oil futures as 31.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar 06	22.20	22.23	22.40	22.09	22.35	+0.15
May'06	22.54	22.50	22.83	22.43	22.79	+0.25
Jul '06	22.90	22.88	23.20	22.82	23.20	+0.30
Aug'06	23.03	23.05	23.30	23.00	23.30	+0.27
Sep'06	23.18	23.24	23.45	23.20	23.45	+0.27
Oct '06	23.33	23.38	23.60	23.35	23.60	+0.27
Dec'06	23.60	23.63	24.20	23.58	24.19	+0.59

CBOT remains closed on Saturday and Sunday.

#### South American soybean Futures Settle High

South American soybeans future settled high on Tuesday. March South American soybeans closed 10 cents higher on Tuesday to \$6.29/bushel then previous closing price. Due to improvement in US market in previous day and apprehensions about Argentina crop coupled with some light concerns Southern Brazil areas helped to improve the prices further. Recent weather forecast indicates possibility of rain in this week may relieve the crop from stress but hot and dry weather condition over the week helped to boost the prices up. Hamburg-based oilseed analysts "Oil World" speculate world production for the year 2005/2006 to be 219.31 million tonnes with world consumption of 213.5 million tonnes. World ending stocks are high at 60 million tonnes compared to last year at 54.19 million tonnes. The market is supposed to move in the lower side due to nearness in the harvest time coupled with cheap grain prices, but fund buyers helped to improve the prices and provided temporary support.

BMD closed from Jan 31 to Feb 2, 2006

BMD: CPO Futures (27.01.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1426	1427	1430	1425	1425	-1	463
Mar 06	1432	1435	1437	1435	1436	+4	307
Apr 06	1439	1442	1445	1441	1443	+4	1287
May 06	1443	1446	1449	1446	1448	+5	420
Jun 06	1446	1449	1452	1449	1451	+5	85

BMD remains closed on Saturday and Sunday.

#### GOI: Revises Low Base Import Prices on Edible Oils

Government of India has revised base import prices on edible oil on January 31, 2006. Government of India revised lower base import prices on Crude Soybean Oil at \$ 484/ton (-8) from \$ 492/ton, Crude Palm Oil at \$ 412/ton (-3) from \$ 415/ton, RBD Palm Oil at \$ 427/ton (-3) from \$ 430/ton, Other Palm Oil at \$ 420/ton (-3) from \$ 423/ton, Crude Palmolein at \$ 434/ton (-3) from \$ 437/ton, RBD Palmolein at \$ 437/ton (-3) from \$ 440/ton, and Other Palmolein at \$ 436/ton (-3) from \$ 439/ton. Central Board of Excise and Customs (CBEC), Department of Revenue issued notification No.07/2006-CUSTOMS (N.T), here revising 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	484	492	-8
CPO	412	415	-3
RBD Palm Oil	427	430	-3
Other Palm Oil	420	423	-3
Crude Palm Olein	434	437	-3
RBD Palm Olein	437	440	-3
Other Palm Olein	436	439	-3

The revised value is effective from today i.e., 31<sup>st</sup> Jan, 06.  
Source; PIB

#### Palm Oil

Today palm oil prices on spot markets were lacklustre in most of the markets due to revised low base import prices by GOI on Tuesday. Low base import prices will attract towards more import of palm oil. More import of palm oil will bring negative impact on palm oil prices on spot markets in coming days. BMD are closed till February 2, 2006. BMD will open only on February in this week. It is expected to low trade on Friday. Palm oil prices are expected to move range bound with weak sentiments in near term.

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

Centres	01.02.06	31.01.06	Change
Kandla CPO (5 % FFA)	335	334	+1
Kandla RBD Palmolein	353	353	0
Mumbai RBD Palmolein	358	359	-1
Chennai RBD Palmolein	373	373	0
Kakinada RBD Palmolein	350	350	0
Hyderabad RBD Palmolein	360	360	0

### Soy oil

Today soybean oil prices at physical markets were range bound with weak sentiments in most of the markets. NCDEX and NBOT February soy oil future prices settled down today as compared to previous closing prices due to more import of soybean oil during this week. Revised low base import prices by GOI on Tuesday. Today's arrivals of soybean were in range of 55000-60000, 25000-27000, 15000-16000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. Arrivals of soybeans are remains 5000 bags in Kota only. Soybean seeds were quoted Rs 1120-40 per quintal on spot markets in Kota mandi. Soy oil prices are expected to move range bound with weak sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 323 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 493 per tonne.

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

Centres	01.02.06	31.01.06	Change
Mumbai (Soy Ref oil)+VAT	339	340	-1
Indore (Soy Ref oil)	343	344	-1
Indore (Solvent Ex. Oil)+VAT	319	319	0
Kota (Soy Ref. Oil)	352	353	-1
Jaipur (Soy Ref. Oil)	355	357	-2
Chennai (Soy Ref Oil)	355	356	-1
Hyderabad (Soy Ref)	360	360	0
Rajkot (Soy Ref)+Tax	334	335	-1

### Rape/Mustard oil

Today mustard oil prices on spot markets showed sluggish trends in most of the markets amidst low demand at retail ends. Harvesting of new mustards crop begins in some pockets of Kota region. Mustard seed prices in physical market were quoted in range of Rs 1480-1520 and 1715-1720 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 1500-1600 bags and 1200-1400 bags in Kota and Jaipur respectively. The arrivals of new crop of mustard seeds were about 700-800 bags out of 1500-1600 bags in Kota mandi, it means arrivals of new mustard crop is about 50% in Kota mandi. February future prices of mustard seeds were slightly declined at 334.50 (-1.90), 339.30 (-0.50) in Delhi and Hapur exchange respectively. Mustard oil prices are expected to move range bound with weak sentiments due to harvesting pressure in coming days.

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

Centres	01.02.06	31.01.06	Change
Mumbai (Rape Expeller Oil)	372	373	-1
Kota (Rape Expeller Oil)	360	362	-1
Jaipur (Rape Expeller Oil)	364	365	-1
Delhi (Rape Expeller Oil)	382	385	-3
Neewai (Kachchi Ghani Rape Oil)	379	380	-1

### Groundnut Refine Oil

Today groundnut oil prices at spot market showed dull trends in most of the markets amidst low demands at retail ends. Harvesting pressure of groundnut in Andhra Pradesh

brought negative impact on its prices in different markets of India. Groundnut prices were quoted Rs330/20 kg in Rajkot mandi today, it is declined slightly as compared to previous trading prices. Arrivals of groundnut seeds in Gujarat were about 45000-50000 bags (1bags=35 Kg). GN oil prices are expected to move range bound with weak sentiments.

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

Centres	01.02.06	31.01.06	Change
Mumbai	430	435	-5
Rajkot	440	445	-5
Andhra Region	433	435	-2
Chennai	435/40	435/440	0

### Sunflower Refine Oil

Sunflower oil prices were steady in most of the markets. CIF prices for Sunflowers (February Shipment) at Kandla port were quoted at \$ 543 per tonnes, it increased to Rs \$2 per ton as compared to previous trading day. There was no fresh fundamental news for increase or decrease its prices. Sunflower oil prices are expected to move range bound with weak sentiments in coming days.

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

Markets	01.02.06	31.01.06	Change
Mumbai +Vat	395	395	0
Chennai	430	430	0
Hyderabad	415	415	0

### Cotton Refine Oil

Today Cotton oil prices were range bound with weak sentiments in most of the markets amidst low demands at retail ends and harvesting pressure of cotton crop. Weak sentiments of soy oil due to revised low base import prices and more import of soybean oil in this week brought negative impact on cotton oil also. Prices are expected to move range bound in near term.

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

Markets	01.02.06	31.01.06	Change
Mumbai	344	344	0
Hyderabad	345	347	-2
Rajkot	340	341	-1

#### NBOT Soy oil futures as on 01.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	346.00	345.70	345.90	344.80	344.80	-1.20	12680
Mar '06	349.80	350.00	350.10	348.50	348.60	-1.20	8330

### NCDEX Soy Futures Settle Slightly Down

Soy oil future prices settled slightly down at NCDEX on Wednesday. NCDEX February soy oil prices settled slightly down Rs 0.75 at Rs 346.10 per 10 Kg, it was Rs 0.80 off the high and Rs 0.15 up from the low. February soy oil prices were moved in range of Rs 345.95 to Rs 346.90. Soy oil prices are expected to move range bound with weak sentiments due to revised low base import prices in near term.

# NCDEX Soy oil futures as on 01.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	346.85	346.70	346.90	345.95	346.10	2590	18600
Mar'06	349.90	349.85	350.00	348.80	349.15	3390	14840

## LATEST WEATHER WATCH (01.02.2006)

### Forecast valid for next 72 hours

**NORTH : Rain/snow** is likely **at isolated places** over higher reaches of Jammu & Kashmir . Weather will be mainly dry over the rest region.

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

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

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

Source: IMD, GOI

## PORT-WATCH (Latest):

### Edible Oil

'Gemini' from Indonesia has berthed at Kandla Port and continues to deliver 6,000 MT of CPO. Seaport agents is handling the vessel. 'Nogogini' from Indonesia is expected at Kandla Port to deliver 4,000 MT of CPO. The vessel will be handled by JM Baxi agents. Delivery of 5,300 MT of SBO is expected at the port from the vessel 'Chemstar Princess'. The cargo was loaded from Brazil. Interocean agents is handling the vessel.

Mumbai Port is receiving 8,000 MT of CPO from the vessel 'Nogogini'. The cargo was loaded from Indonesia. JM Baxi agents is handling the vessel.

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

'Mercur' is expected at Kolkata Port to deliver 13,000 MT of SBO. The port is expecting 'Global Pallas' to discharge 5,800 MT of CPO. Seaport agents will be handling the vessel.

Kakkinada Port is expecting 'Ace I' to deliver 3,000 MT of CPO. 'Filma Satu' is expected at the port to deliver 6,000 MT of CPO.

Delivery of 26,000 MT of SBO is expected at Mundra Port from the vessel 'Champion Vincita'. Interocean agents will be handling the vessel.

## Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Gemini	6000	CPO	Arrived
	Nogogini	4000	CPO	Expected
	Chemstar Princess	5300	SBO	Expected
Mumbai	Nogogini	8000	CPO	Arrived
Mundra Port	Rising One	3000	SBO	Expected
	Champion Vincita	26000	SBO	Expected
Chennai	Mercur	5000	Palm Oil	Arrived
	Tirta Niaga I	5800	Palm Oil	Arrived
	Ace I	3000	CPO	Arrived
Marmugao	Global Neptune	3478	Palm Oil	Arrived
Kolkata	Mercur	13000	SBO	Expected
	Global Pallas	5800	CPO	Expected
Kakkinada	Ace I	3000	CPO	Arrived
	Filma Satu	6000	CPO	Expected

## Forex Rates

(As on 01.02.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.15
European Union	Euro	53.68
Japan	100 Yen	37.68
United Kingdom	Pound Sterling	78.56
Malaysia	Ringgit	11.77
China	CNY	5.48
Argentina	ARS	14.41
Brazil	BRL	19.96
Indonesia	1000 IDR	4.70

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