

## VEGOIL

February 23, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Down
- BMD CPO Futures Settle Down
- NCDEX March Contract Soy Oil Prices Settle Down

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD has turned downwards and crossed its signal line, which indicates bearish market sentiments.
2. %K line is moving downwards in neutral zone after crossing % D line, which indicates bearish market sentiments.
3. Prices closed just below 9 days (373.13) and above 18 days (368.12) EMA, which indicates slightly bearish market sentiments.

4. Long lower shadow of candlestick indicates that sellers dominated during the session and prices declined. However, later on buyers forced prices up from their low level.

**Market Advice:** Prices are expected to move range bound with positive sentiments. Go long with cautions. Buy near 372.00, target near 374.50, put stop loss at 370.80.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	369.50	367.90	374.80	376.50

#### 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 Down

Soy future settled down at Chicago Board of Trade on Tuesday. March Soybeans settled down 13.75 cents at \$5.8750/bushel, 13.50 cents off the high and 5.50 cents up from the low. May Soybeans settled down 13.50 cents at \$6.01/bushel, which was 6 cents up from the low and 13 cents off the high. March Soybean Oil finished down 0.28 cents at 23.05 cents/pound, 0.18 cents off the high and 0.2 cents up from the low. Wide spread of bird flu through Europe, Egypt and India had a bearish impact on the trade and sellers were active for the session. Rain is expected in the dry region of Argentina into the middle of the week and pace of harvesting results into the downfall of the prices. Weekly export inspections reveals soybean is at 27.36 million bushels as compared with trade expectations of 27-32 million bushels.

#### CBOT Soy oil futures as 21.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar 06	23.33	23.17	23.23	22.85	23.05	-0.28
May'06	23.71	23.55	23.62	23.25	23.49	-0.22
Jul '06	24.07	23.95	23.98	23.61	23.85	-0.22
Aug'06	24.19	24.10	24.12	23.85	24.00	-0.19
Sep'06	24.32	24.25	24.25	24.00	24.13	-0.19
Oct '06	24.48	24.40	24.40	24.15	24.28	-0.20
Dec'06	24.69	24.75	24.75	24.40	24.55	-0.14

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Futures Settle Up

South American soybean futures settled high on Tuesday. March South American soybeans settled 10 cents higher on Tuesday at \$6.50/bushel and move to the highest level since January 4th. Crop concern remains still high on account of recent dry spell and anticipation of rains in middle of the week sought little improvement on crop yield. Fund buying supported solid gains in US soybeans and products with funds noted buyers of 11,000 soybeans, 5000 oil and 3500 meal. Strength in other market such as gold and energy markets helped to boost the soybean as well. The Commitment of Traders report showed the market in a bullish transition with non-commercial traders going net long. Non-commercial traders shifted from a net short to a net long position and the buying trend showing short-term bullish sentiments. Oil is in a bearish tone, and meal is going on slightly overbought condition.

#### BMD CPO Futures Settled Down

Crude palm oil futures on the Bursa Malaysia Derivatives settled lower on Wednesday. The benchmark May CPO contract settled at MYR1471 / metric ton, down MYR3 from Previous trading day, after moving between MYR1469 to MYR1478/ton. The Bursa Malaysia's annual palm oil price outlook conference, the industry's most important event of the year, begins late Wednesday. From this conference

traders will get a direction of palm oil demands, supply and prices. Traders' expectations are bio-diesel is likely to dominate discussions at this year's Conference. Slow trading on BMD and Weakness in soyoil futures on the Chicago Board of Trade brought negative impact on palm oil prices on Wednesday.

#### BMD: CPO Futures (22.02.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar 06	1457	1457	1457	1450	1451	-6	648
Apr 06	1470	1470	1472	1465	1467	-3	259
May 06	1474	1476	1478	1469	1471	-3	1909
Jun 06	1477	1478	1479	1471	1475	-2	657
Jul 06	1490	0	0	0	1478	-12	0

BMD remains closed on Saturday and Sunday.

#### Palm Oil

Today palm oil prices on spot markets were ease in most markets. BMD CPO futures settled lower on Wednesday and lower settlement of soy futures on CBOT brought negative impact on its prices. There was no fresh fundamental news to boost up its prices. Palm oil prices are expected to move range bound in coming days.

FOB prices of CPO (February) were quoted at \$ 392.50 per tonnes and February RBD Palmolein at \$ 412.00 per tonnes.

#### Palm oil - Spot Market Price

(Rs. per 10 kg]

Centres	22.02.06	21.02.06	Change
Kandla CPO (5 % FFA)	350	350	0
Kandla RBD Palmolein	364	363	+1
Mumbai RBD Palmolein	368	369	-1
Chennai RBD Palmolein	378	378	0
Kakinada RBD Palmolein	362	362	0
Hyderabad RBD Palmolein	375	375	0

#### Soy oil

Today soybean oil prices on domestic spot markets moved down in most markets due to lower settlement of soy futures on CBOT and bearish recommendation of Ashok Lahiri committee. NCDEX and NBOT March contract soy oil prices settled down as compared to previous closing prices. BMD CPO futures settled down on Wednesday. Today's arrivals of soybean were 40000-42000, 14000-15000 and 10000-12000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. Arrivals in Kota Mandi were 2000 bags only. Today soybeans prices on spot market were quoted in range of Rs 1120-45/qlt in Kota mandi. Today soy oil prices were quoted Rs 370 and Rs 374 per 10 kg in Kota and Jaipur respectively. Soy oil prices are expected to improve in near term.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 348 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 530 per tonne.

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

Centres	22.02.06	21.02.06	Change
Mumbai (Soy Ref oil)+VAT	357	359	-2
Indore (Soy Ref oil)	361	366	-5
Indore (Solvent Ex. Oil)+VAT	336	339	-3
Kota (Soy Ref. Oil)	370	370	0
Jaipur (Soy Ref. Oil)	374	375	-1
Chennai (Soy Ref Oil)	372	374	-2
Hyderabad (Soy Ref)	372	372	0
Rajkot (Soy Ref)+Tax	-	355	-

**Rape/Mustard oil**

Today mustard oil prices on spot markets showed mixed trends. Today mustard seeds prices on spot markets were quoted in range of Rs 1480-1550 and Rs 1720 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 10,000 bags and 5,000 bags in Kota and Jaipur mandi respectively. Total arrivals of mustard seeds were about 80,000 bags and 20,000 in Rajasthan and Madhya Pradesh respectively. Harvesting pressure and lower soy oil prices on spot markets brought negative impact on its prices in Delhi and Neewai markets. Mustard oil prices are slightly improved in Rajasthan only because Tilhan Sangh is started to purchase mustard seeds at market rate and NAFED is planning to buy mustard seeds at MSP from 1<sup>st</sup> march. These factors brought positive impact on its prices in Rajasthan. Mustard oil prices are expected to move range bound in near term.

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

Centres	22.02.06	21.02.06	Change
Mumbai (Rape Expeller Oil)	370	373	-3
Kota (Rape Expeller Oil)	362	360	+2
Jaipur (Rape Expeller Oil)	368	365	+3
Delhi (Rape Expeller Oil)	382	385	-3
Neewai (Kachchi Ghani Rape Oil)	372	376	-4

**Groundnut Refine Oil**

Today groundnut oil prices on spot market range bound with weak sentiments in most markets amidst low demands at retail ends. Groundnut oil prices dampened with soy oil prices. Weak Vayda Bazaar and lower prices of soy oil on spot markets brought negative impact on GN oil prices. Arrivals of groundnut seeds in Gujarat remain at 40000-42000 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	22.02.06	21.02.06	Change
Mumbai	435	437	-2
Rajkot	435	435	0
Andhra Region	443	444	-1
Chennai	440	440	0

**Sunflower Refine Oil**

Sunflower oil prices on physical markets stooped to down in most market. Harvesting of sunflower crop is going on in Karnataka and Andhra region. Import of sunflower oil is expected to 22248 metric ton at Kandla port. There was no fresh fundamental news to push up its prices. CIF prices for sunflowers (March Shipment) at Kandla port were quoted at \$ 569 per tonnes; it is declined from \$ 574/ton. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	22.02.06	21.02.06	Change
Mumbai +Vat	412	412	0
Chennai	430	435	-5
Hyderabad	425	425	0

**Cotton Refine Oil**

Today cotton oil prices on domestic spot market went down slightly in most markets. Cotton oil prices dampen with soy oil prices. Lower soy oil prices on spot market prices brought negative impact on cotton oil prices. Cotton oil prices are expected to move range bound in near term.

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

Markets	22.02.06	21.02.06	Change
Mumbai	366	367	-1
Hyderabad	363	365	-2
Rajkot	-	353	-

**NBOT Soy oil futures as on 22.02.2006 (Rs/10 kg)**

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	373.60	373.00	373.20	368.60	370.80	-2.80	56840
Apr '06	376.80	377.00	377.00	372.70	374.90	-1.90	3010

**NCDEX Soy Oil Futures Settle Down**

Soy oil futures prices settled down at NCDEX on Wednesday due to lower settlement of soy futures on CBOT, NBOT and bearish recommendation of Ashok Lahiri committee. NCDEX March soy oil contract prices settled down Rs 2.30 at Rs 372.25/10 Kg, it was Rs 1.25 off the high and Rs 3.50 up from the low after moving in between of Rs 368.75 to Rs 373.50. Soy oil prices are expected to move range bound in near term.

**NCDEX Soy oil futures as on 22.02.2006 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Mar'06	374.55	373.10	373.50	368.75	372.25	23570	22970
Apr'06	377.65	375.10	377.20	372.75	376.95	11120	22500

**LATEST WEATHER WATCH (22.02.2006)**

Forecast valid for next 72 hours

**NORTH WEST INDIA:** Isolated rain/snow likely to commence over Jammu & Kashmir from 23<sup>rd</sup>, which is likely to increase from 24<sup>th</sup> and extend to Himachal Pradesh. Isolated rain/thundershowers also likely over Punjab. 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 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 during next 1-2 days. Mainly dry weather over the rest region.

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

**WEST INDIA:** Weather will be mainly dry over the region, except isolated rain/thundershowers likely over northwest Rajasthan on 25<sup>th</sup>. Day and Night temperatures likely to remain significantly above normal over many parts of Rajasthan.

**CENTRAL INDIA:** Weather will be mainly dry over the region. Day temperatures are likely to remain 6-8° C above normal over northwest Madhya Pradesh and 4-6° C over rest region.

Source: IMD, GOI

## PORT-WATCH (Latest):

### Edible Oil

'Palaque' from Argentina has berthed at Kandla Port and continues to deliver 22,248 MT of sun flower oil. The vessel is being handled by Interocean agents. Kandla Port is receiving 6,000 MT of CPO from the vessel 'Broving Bay'. The cargo was loaded from Dumai. Interocean agents is handling the vessel. Delivery of 12,250 MT of CPO is expected at the port from the vessel 'Global Triton'. The cargo was loaded from Padang. Forbes Gokak agents will be handling the vessel.

'Global Pallas' has berthed at Mumbai Port and continues to deliver 8,250 MT of palm oil. Interocean agents is handling the vessel. 'Nolowati' is expected at Mumbai Port to discharge 11,000 MT of CPO. The vessel will be handled by Atlantic agents.

Kolkata Port is receiving 6,000 MT of CPO from the vessel 'MMM Jackson'. GAC 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. The port is expecting 'Isokaze' to deliver 7,000 MT of CPO. Seaport agents will be handling the vessel.

Chennai Port is receiving 6,000 MT of palm oil from the vessel 'MMM Houston'. 'Ace I' is expected at Chennai Port to discharge 6,000 MT of CPO. Interocean 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.

JN Port is expecting 'Broving Bay' to discharge 6,000 MT of CPO. The cargo was loaded from Dumai. 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	Expected
Chennai	MMM Houston	6000	Palm Oil	Arrived
	Ace-1	6000	CPO	Expected
Kolkata	MMM Jackson	6000	CPO	Arrived
	Bunga Melati Dua	20942	SBO	Arrived
	Isokaze	7000	CPO	Expected
	Spring Wind	7294	CPO	Arrived
Tuticorin	MMM Houston	6000	Palm Oil	Expected
Kandla	Broving Bay	6000	CPO	Arrived
	Palaque	22248	SFO	Expected
	Global triton	12250	CPO	Expected
Mumbai	Nolowati	11000	CPO	Expected
	Global Pallas	8250	Palm Oil	Arrived
JN Port	Broving Bay	6000	CPO	Arrived
Mundra	Nolowati	7000	CPO	Expected

### Forex Rates

(As on 22.02.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.51
European Union	Euro	53.07
Japan	100 Yen	37.53
United Kingdom	Pound Sterling	77.69
Malaysia	Ringgit	12.00
China	CNY	5.55
Argentina	ARS	14.53
Brazil	BRL	20.66
Indonesia	1000 IDR	4.81

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