

## VEGOIL

April 7, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Oil Futures Settle Down
- BMD CPO Futures Ends Up
- NCDEX April Contract Soy Oil Prices Settle High

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX April Contract

Technical Analysis for April Contract:

1. The MACD is moving upwards flatly in negative zone, which is hinting slightly bullish sentiments.
2. % K line is moving upwards in oversold after bullish crossover to % D line, which indicates bullish trends.
3. Prices closed above 9 days and 18 days EMA, which indicates bullish market.

**Market Advice:** Market is expected to move range bound with positive sentiments. Go long with cautions. Buy near 377.10 targets near 379.80 and stop loss at 375.70.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX April '06	375.90	374.20	379.40	381.10

#### 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 Down

May Soybeans settled up 2.75 cents at \$5.615/bushel, 1 cent off the high and 5 cent up from the low. November Soybeans settled up 1.75 cent at \$5.9175/bushel, which was 5.25 cent up from the low and 1 cent off the high. May Soybean meal finished up \$1.3 at \$172.3/ton that was \$1.1 up from the low and \$0.3 off the high. May Soybean Oil closed down 0.07 cent at 22.37 cent/pound, 0.12 cent off the high and 0.12 cent up from the low. Talk in the market about extreme oversold condition combined with the recent improved forecast for Brazil crop production, provide the initial thrust to the market. Brazil Agriculture Ministry soybean crop forecast came in at 55.7 million tonnes as compared to 57.2 million tonnes in March, which would still be a record high as compared to 51.4 million tonnes last year. Harvest in Brazil is slowing down due to rainy weather further provided underlying support. Weakness in Malaysia palm futures and China soybean futures overnight were the negative short-term factors for pulling down the prices of soy oil in the CBOT. Improving demand of meal in the Far East countries leads to slight improvement in the meal futures. Traders are expecting for USDA weekly export sales for soybean near 200,000-350,000 tonnes as compared to 295,300 tonnes last week. Meal sales are expected near 60,000-125,000 tonnes with oil near 0-10,000 tonnes.

#### CBOT Soy oil futures as 05.04.2006 (Cents/pound)

Months	PCP	Open	High	Low	Close	Change
May'06	22.44	22.44	22.49	22.25	22.37	-0.07
Jul '06	22.86	22.89	22.91	22.65	22.80	-0.06
Aug'06	23.03	23.05	23.09	22.88	22.96	-0.07
Sep'06	23.21	23.22	23.28	23.08	23.15	-0.06
Oct '06	23.40	23.42	23.49	23.28	23.34	-0.06
Dec'06	23.77	23.72	23.82	23.57	23.69	-0.08
Jan'07	23.97	23.90	23.90	23.85	23.90	-0.07

CBOT remains closed on Saturday and Sunday.

#### BMD CPO Futures Settle Up

Crude palm oil futures at Bursa Malaysia Derivatives settled higher on Thursday amid bio diesel concerns and technical corrections. Benchmark June CPO contract settled at MYR1,413 a metric ton, up MYR2 from Wednesday after moving in range of MYR1,409 and MYR1,420. Positive e-CBOT for soy oil future supported to bulls in the market.

#### BMD: CPO Futures (06.04.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr 06	1370	1380	1380	1375	1379	+9	106
May 06	1395	1399	1404	1396	1400	+5	759
Jun 06	1411	1413	1420	1409	1413	+2	2401
Jul 06	1423	1424	1430	1420	1423	0	684
Aug 06	1430	1431	1435	1425	1431	+1	64

BMD remains closed on Saturday and Sunday.

### Palm Oil

Today palm oil prices on spot markets were steady to weak sentiments in most markets. There was nothing fundamentals to boost its prices. Palm oil prices are expected to move range bound in near term.

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

Centres	6.04.06	5.04.06	Change
Kandla CPO (5 % FFA)	353	353	0
Kandla RBD Palmolein	370	370	0
Mumbai RBD Palmolein	375	375	0
Chennai RBD Palmolein	383	383	0
Kakinada RBD Palmolein	370	373	-3
Hyderabad RBD Palmolein	395	398	-3

#### Refined Soy oil

Today soybean oil prices on domestic spot markets improved slightly due to depleting stock amid increasing local demands at retail ends. There is talk in the market that the government is planning to enhance import duty on GM soy oil to restrict soy oil import in the interest of domestic mustard oil. NCDEX and NBOT April contract refined soy oil price settled high as compared to previous closing price. Sowing acreage declined in South America. Today there were no arrivals in Rajasthan due to festivals (Ramnavmi). Refined soy oil prices were quoted at Rs 368 and 372 per 10 kg + VAT in Kota and Jaipur mandi respectively, its slightly higher as compared to previous trading. Prices are expected to improve slightly in near term due to VAT and depleting domestic stock.

CIF prices for soy degum (April Shipment) at Kandla were quoted at \$ 491 per tonne, it is declined slightly as compared to previous trading.

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

Centres	6.04.06	5.04.06	Change
Mumbai (Soy Ref oil)+VAT	370	369	+1
Indore (Soy Ref oil)	372	371	+1
Indore (Solvent Ex. Oil)+VAT	338	336	+2
Kota (Soy Ref. Oil)	382	380	+2
Jaipur (Soy Ref. Oil)	385	383	+3
Hyderabad (Soy Ref)	383	383	0
Chennai	377	377	0
Rajkot (Soy Ref)+Tax	368	366	0

#### Rape/Mustard oil

Mustard oil prices on domestic spot markets range bound with weak sentiments in most of markets. Most of the seeds markets in Rajasthan were closed due to Ram Navmi today. Prices are declined slightly on harvesting pressure. Mustard oil prices are expected to move range bound with weak sentiments in near term due to harvesting pressure in major producing areas.

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

Centres	6.04.06	5.04.06	Change
Mumbai (Rape Expeller Oil)	370	370	0
Kota (Rape Expeller Oil)	357	359	-2
Jaipur (Rape Expeller Oil)	359	361	-2
Delhi (Rape Expeller Oil)	366	368	-2
Neewai (Kachchi Ghani Rape Oil)	353	360	-7

**Groundnut Refine Oil**

Today groundnut oil prices on domestic spot markets were surged on increasing demands at retail ends. Higher demands from Andhra Pradesh brought positive impact on its prices in other states also. Local demands are increased owing to dearth supply and festivals are ahead. There were no arrivals in Gujarat mandi due to strike in Gujarat against VAT. GN oil prices are expected to improve further in near term due to lower supply and increasing demands at retail ends.

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

Centres	6.04.06	5.04.06	Change
Mumbai	450	448	+2
Rajkot	465	455	+10
Andhra Region	470	470	0
Chennai	445	445	0

**Sunflower Refine Oil**

Sunflower oil prices on physical markets showed mixed sentiments in the market. Harvesting is in progress in major producing states. Prices improved Mumbai markets due to hike in prices of other edible oil. CIF prices for sunflowers (April Shipment) at Kandla port remain quoted to \$ 590 per tonnes, up \$5/ton as compared to Wednesday. Sunflower oil prices are expected to move range bound with weak sentiments due to harvesting pressure.

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

Markets	6.04.06	5.04.06	Change
Mumbai +Vat	420	415	+5
Chennai	438	440	-2
Hyderabad	430	430	0

**Cotton Refine Oil**

Today cotton oil prices on spot markets showed steady to positive sentiments in most of the markets. Lower supply of cottonseeds and higher prices of other edible oil brought positive impact on its prices. Cotton oil prices are expected to move range bound with positive sentiments in near term.

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

Markets	6.04.06	5.04.06	Change
Mumbai	379	378	+1
Hyderabad	382	382	0
Rajkot	375	372	+3

**NBOT Soy oil futures as on 6.04.2006 (Rs/10 kg)**

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Apr '06	374.40	377.50	378.50	376.90	377.10	+2.70	11440
May'06	379.40	382.60	383.80	382.00	382.20	+2.80	11200

**NCDEX Soy Oil Futures Ends Up**

NCDEX April soy oil contract prices settled up on Thursday. There is talk in the market that government of India is planning to restrict soy oil import through GM (Genetically modified) and non- Government of India may ban on import GM soy oil. Soy oil futures prices settled up Rs 3.15 at Rs 377.65/10 Kg, Rs 1.75 off the high and Rs 1.65 up from the low. The prices moved in a range of Rs 376.00 to Rs 379.40. Soy oil prices are expected to move range bound with positive sentiments in near term.

**NCDEX Soy oil futures as on 6.04.2006 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Apr'06	374.50	376.00	379.40	376.00	377.65	7780	17380
May'06	379.45	380.00	385.00	380.00	383.20	9380	14590
Jun'06	384.50	386.35	389.00	386.35	387.50	660	3020

**Forex Rates (As on 06.04.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.69
European Union	Euro	54.83
Japan	100 Yen	38.24
United Kingdom	Pound Sterling	78.59

**PORT-WATCH (Latest):****Edible Oil**

Delivery of 18,540 MT of SBO is continuing at Kandla Port from the vessel 'Process'. The cargo was loaded from Brazil. Interocean agents is handling the vessel. 'Golden Glory' from Indonesia has berthed at the port and is continuing to discharge 8,000 MT of CPO. Forbes Gokak agents is handling the vessel. Kandla Port is receiving 9,600 MT of SBO from the vessel 'Alexandros'. The cargo was loaded from Argentina. The vessel is being handled by Interocean agents. Delivery of 9,000 MT of CPO is continuing at the port from the vessel 'Madura'. The cargo was loaded from Indonesia. Taurus agents is handling the vessel.

Kolkata Port is receiving 18,500 MT of SBO from the vessel 'Fair Luna'. Seaport agents is handling the vessel. 'Tirta Niaga 2' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. The vessel is being handled by Interocean agents. The port is expecting 'Khadijah' to discharge 5,000 MT of CPO.

Delivery of 6,000 MT of CPO is expected at Kakkia Port from the vessel 'MMM Jackson'.

Chennai Port is expecting 'Tirta Niaga' to deliver 5,900 MT of CPO. Interocean agents will be handling the vessel. 'MMM Houston' is expected at Chennai Port to deliver 3,500 MT of palm oil. Seaport agents is handling the vessel.

Delivery of 4,000 MT of palm oil is expected at Cochin Port from the vessel 'Spring Glory'.

#### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Tirta Niaga 2	6000	CPO	Arrived
	Fair Luna	18500	SBO	Arrived
	Khadijah	5000	CPO	Expected
Chennai	Tirta Niaga	5900	CPO	Expected
	MMM Houston	3500	Palm Oil	Expected
Kakinada	MMM Jackson	6000	CPO	Expected
Kandla	Alexandros	9600	SBO	Arrived
	Isokaze	9600	CPO	Arrived
	Madura	9000	CPO	Arrived
	Golden Glory	8000	CPO	Arrived
	Process	18540	SBO	Arrived
Cochin	Spring Glory	4000	Palm Oil	Expected

## LATEST WEATHER WATCH

### Forecast valid for next 72 hours

**NORTH-WEST INDIA:** Mainly dry weather is likely over the region. Day temperatures over the region are likely to remain 2-4° C above normal.

**EAST INDIA:** Rain/thundershowers accompanied with hail/squall are likely at a few places over West Bengal & Sikkim and isolated over Bihar, Jharkhand and Orissa. Mainly dry weather is likely over East Uttar Pradesh.

**NORTHEAST INDIA:** Rain/thundershowers at many Places with hail/squall at a few Places are likely over the region.

**SOUTH INDIA:** Weather will be mainly dry over the region except isolated rain/thundershowers over Andaman & Nicobar Islands, South Interior Karnataka and Kerala.

**WEST INDIA:** Weather will be mainly dry over the region with increase in day temperatures.

**CENTRAL INDIA:** Weather will be mainly dry over the region. The day temperatures in this region also are likely to increase by 1-2° C.

#### Outlook for subsequent two days based on NCMRWF and other numerical weather products:

Scattered thundershowers activity over northeastern states is likely to continue.

Scattered rain/snow is likely over the Western Himalayas on 9<sup>th</sup> -10<sup>th</sup> April.

**Source:** IMD, GOI.

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