

## VEGOIL

April 6, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Oil Futures Settle Down
- BMD CPO Futures Ends Down Sharply
- NCDEX April Contract Soy Oil Prices Settle Slightly Low

### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX April Contract

Technical Analysis for April Contract:

1. The MACD is moving downwards in negative zone, which indicates bearish sentiments.
2. % K line is moving upwards in oversold after crossing % D line from below, which indicates bullish trends.
3. Prices closed below 9 days and 18 days EMA, which indicates slightly bearish market.

**Market Advice:** Market is expected to move range bound with positive sentiments. Go long with cautions. Buy near 374.10 targets near 376.20 and stop loss at 372.90.

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

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX April '06	372.70	371.90	376.60	377.50

#### 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 Oil Futures Settle Down

May Soybeans settled down 6.25 cent at \$5.5875/bushel, 6.25 cent off the high and 1.25 cent up from the low. November Soybeans settled down 6.25 cent at \$5.90/bushel, which was 1 cent up from the low and 6.75 cent off the high. May Soybean meal settled down \$2.1 at \$171.0/pound that was \$0.2 up from the low and \$2.5 off the high. May Soybean Oil closed down 0.2 cent at 22.44 cent/pound, 0.22 cent off the high and 0.03 cent up from the low. Market pressurized heavily due to talk in the market about possible increase in the planting area in US, followed by scattered rains in Midwest, which enriched the soil moisture conditions for forth coming crop. It is expected to have a record crop in the spring season as well. Short term demand is dwindling as the demand is shifting towards South America. Brazil weather experienced good weather for the harvest which further added to its bearish tone. Commitment-of-Traders report with options showing a record speculative net short position.

#### CBOT Soy oil futures as 04.04.2006 (Cents/pound)

Months	PCP	Open	High	Low	Close	Change
May'06	22.64	22.62	22.66	22.41	22.44	-0.20
Jul '06	23.06	23.07	23.07	22.82	22.86	-0.20
Aug'06	23.20	23.25	23.25	23.01	23.03	-0.17
Sep'06	23.40	23.40	23.40	23.19	23.21	-0.19
Oct '06	23.62	23.62	23.62	23.40	23.40	-0.22
Dec'06	23.98	23.96	23.96	23.74	23.77	-0.21
Jan'07	24.17	24.08	24.08	23.95	23.97	-0.20

CBOT remains closed on Saturday and Sunday.

#### BMD CPO Futures Settle Down Sharply

Crude palm oil futures at Bursa Malaysia Derivatives settled down on Wednesday. CPO future falls sharply on selling pressure amid rising stocks and a strengthening Ringgit. A stronger Ringgit is negative for the palm oil industry as it reduces earnings from the export of the commodity. Benchmark June CPO contract settled at MYR1,411 a metric ton, down MYR16 from Tuesday after moving in a wide range of MYR1,408 and MYR1,426. People are afraid for burdensome stocks, it may touch 1.70 million ton at the end of March from 1.65 million ton of February stock. Participants are waiting official March stocks figures along with production and export data, which are due to be issued by the Malaysian Palm Oil Board on Monday. May soyoil futures ended 20 points lower at 22.44 cents a pound on the Chicago Board of Trade Tuesday.

#### BMD: CPO Futures (05.04.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr 06	1380	1380	1380	1370	1370	-10	50
May 06	1409	1404	1408	1393	1395	-14	1673
Jun 06	1427	1424	1426	1408	1411	-16	3981
Jul 06	1438	1437	1437	1419	1423	-15	1018
Aug 06	1445	1445	1445	1425	1425	-20	71

BMD remains closed on Saturday and Sunday.

### Palm Oil

Today palm oil prices on spot markets were likely unchanged in most markets. BMD exchange ends down sharply amid maintaining stock of Malaysia's palm oil and lower settlement of soy futures on CBOT. Palm oil prices are expected to move range bound in near term.

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

Centres	5.04.06	4.04.06	Change
Kandla CPO (5 % FFA)	353	353	0
Kandla RBD Palmolein	370	370	0
Mumbai RBD Palmolein	375	374	+1
Chennai RBD Palmolein	383	383	0
Kakinada RBD Palmolein	373	372	+1
Hyderabad RBD Palmolein	398	398	0

#### Refined Soy oil

Today soybean oil prices on domestic spot markets improved slightly due to lower supply and implementation of VAT. However, NCDEX and NBOT April contract refined soy oil price settled down slightly as compared to previous closing price owing to global bearish market sentiments. Sowing acreage increased in USA and harvesting is in progress in South America amid favourable weather. Today there were no arrivals in Rajasthan due to festivals (Astami). 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 \$ 493 per tonne, it is declined slightly as compared to previous trading.

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

Centres	5.04.06	4.04.06	Change
Mumbai (Soy Ref oil)+VAT	369	368	+1
Indore (Soy Ref oil)	371	370	+1
Indore (Solvent Ex. Oil)+VAT	336	336	0
Kota (Soy Ref. Oil)	380	380	0
Jaipur (Soy Ref. Oil)	383	382	+1
Hyderabad (Soy Ref)	383	382	+1
Chennai	377	377	0
Rajkot (Soy Ref)+Tax	366	366	0

#### Rape/Mustard oil

Mustard oil prices on domestic spot markets steady to positive sentiments in most of markets. Most of the seeds markets in Rajasthan were closed due to Asthami festivals today. Prices are stable despite of harvesting pressure only due to implementations of VAT, procurement by NAFED and higher prices of other edible oil. 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	5.04.06	4.04.06	Change
Mumbai (Rape Expeller Oil)	370	370	0
Kota (Rape Expeller Oil)	359	359	0
Jaipur (Rape Expeller Oil)	361	360	+1
Delhi (Rape Expeller Oil)	368	368	0
Neewai (Kachchi Ghani Rape Oil)	360	358	+2

**Groundnut Refine Oil**

Today groundnut oil prices on domestic spot markets were surged higher amidst increasing demands in Andhra region. Higher demands from Andhra Pradesh brought positive impact on its prices in other states also. Local demands are increased owing to dearth supply, 1<sup>st</sup> week of month and festivals are ahead. Groundnut seeds were quoted Rs339/20 kg in Rajkot Mandi it is up from previous trading day. GN oil prices are expected to improve slightly in near term due to lower supply.

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

Centres	5.04.06	4.04.06	Change
Mumbai	448	445	+3
Rajkot	455	450	+5
Andhra Region	470	460	+10
Chennai	445	445	0

**Sunflower Refine Oil**

Sunflower oil prices on physical markets were steady in most market. Harvesting is in progress in major producing states. Prices improved marginally in Andhra Pradesh due to surged of groundnut oil prices in Andhra region. CIF prices for sunflowers (April Shipment) at Kandla port remain quoted to \$ 585 per tonnes. 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	5.04.06	4.04.06	Change
Mumbai +Vat	440	440	0
Chennai	415	415	0
Hyderabad	430	428	+2

**Cotton Refine Oil**

Today cotton oil prices on spot markets improved slightly in most of markets amid lower demands at retail ends. 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	5.04.06	4.04.06	Change
Mumbai	378	377	+1
Hyderabad	382	380	+2
Rajkot	372	370	+2

**NBOT Soy oil futures as on 5.04.2006 (Rs/10 kg)**

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Apr '06	375.50	375.10	375.30	373.80	374.40	-1.10	13920
May'06	381.40	380.50	380.90	378.80	379.40	-2.00	8600

**NCDEX Soy Oil Futures Ends Slightly Down**

NCDEX April soy oil contract prices settled lower on Wednesday after choppy trading day. Sowing acreage increased in USA and harvesting is in progress in South America amid favourable weather. Soy oil futures prices settled down Rs 1.00 at Rs 374.50/10 Kg, Rs 1.50 off the high and Rs 1.25 up from the low. The prices moved in a range of Rs 373.25 to Rs 376.00. Soy oil prices are expected to move range bound with positive sentiments in near term.

**NCDEX Soy oil futures as on 5.04.2006 (Rs/10 kg)**

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Apr'06	375.50	373.25	376.00	373.25	374.50	3720	16510
May'06	381.55	381.40	381.60	379.10	379.45	3520	13750

**Forex Rates (As on 05.04.2006)**

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 Kakkiada 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.

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.