

VEGOIL

25th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Complex Improved Significantly Amidst Growing Uncertainty in Crop Weather
- South American Soybean Surged Significantly on Declining US Weather
- Soybean Oil Traded Range Bound Amidst Declining Retail Support

* Sowing Progress of Kharif Oilseeds

MARKET HIGHLIGHTS & ANALYSIS

International:

CBOT (US Soybean Oil):

Technically motivated speculative buying added to the bullish theme, with advances accelerating once futures eclipsed resistance at Thursday's highs. The supportive tone was consistent from the outset, with traders comfortable holding long positions into the weekend with 90-plus-degree temperatures expected to hold up through next week.

The outlook for soaring temperatures today in the Midwest (after basically no rain for the past week for Illinois, Indiana, Missouri and Arkansas) and the forecast for only scattered chances in these areas over the next week with 90 degree plus highs helped to drive the market sharply higher.

Crop conditions look to deteriorate rapidly in the next week for Illinois, Missouri and Arkansas and production in the three states alone represent about 23% of the total for the US. If Indiana is added to the aggregate, the driest areas represent near 32% of the US production.

Rainfall deficits of 5-6 inches in Illinois and the lack of rain in the forecast for another week indicate a collapse in crop conditions for the weekly report on Monday afternoon. Fears of shifting weather forecast for Monday morning should keep the trade volatile.

In pit trades, ADM Investor Services and Rand Financial each bought 300 November, Refco bought 700 November, Cargill Investor Services and Citigroup each bought 600 November. On the sell side, FCStone sold 400 November, Calyon Financial, Refco and Tenco each sold 200 November, O'Connor sold 800 November, and Cargill Investor Services sold 300 November. Commodity funds were estimated buyers of 4,000 contracts.

Trade is expected to be on the higher side amidst growing uncertainty in the weather conditions and the partial support from the South American soybean markets.

CBOT Soy oil futures as 24 June 2005

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	25.24	25.24	26.15	25.24	+0.91	26.15
Aug '05	25.32	25.57	26.20	25.57	+0.86	26.18
Sep '05	25.45	25.75	26.43	25.75	+0.90	26.35

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

As the US market builds a weather premium and South American producer selling is active, the US market is likely to continue to gain on South America. Cash markets in Brazil are not keeping up with world values due to aggressive producer selling on the rally. While producer selling is increasing, so are Brazil's exports.

The Foreign Trade Secretary there indicated that exports for the first half of June totaled 2.29 million tonnes, the second highest volume of the year. This has occurred in spite of the strong Brazilian currency, which hit a 3-year peak against the dollar this week.

US weather continues to dominate. The Midwest looks very hot (mid-to-upper 90's) with little chance of rain for the eastern Corn Belt until the middle of next week, when only scattered rains are called for. Chicago highs at expected to reach 98 degrees today, falling to the low 90's on the weekend and back to up to 96 by next Thursday.

The delta is also hot and dry, and crops there are already stressed from a lack of normal rains. Arkansas is a major soybean producing state at 4-5% of total US production. With both Illinois and Arkansas looking at potential yield damage from the current weather, the odds of seeing above average yields this year seem to be diminishing quickly.

A 2 bushel/acre reduction in yield from the USDA trend line yield of 39.9 would leave ending stocks in the US at a historically tight level. Demand news was positive yesterday, but the focus of attention was on the weather.

China imported 2.032 million tonnes of soybeans in May, which brought the 5-month total to 9.346 million tonnes, up 24.9% from last year.

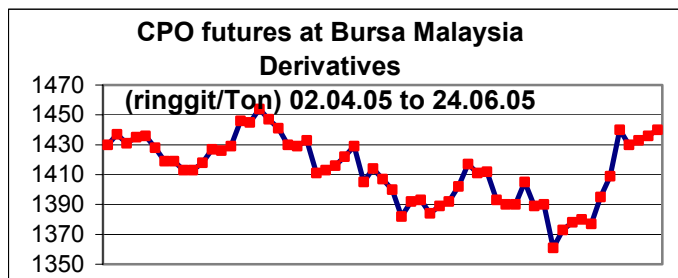
The Latin American soybean market is expected to continue trading on the higher side amidst growing support from the expected support from the declining weather in US.

KLCE (Malaysian Palm Oil):

KLCE market remained closed on regular weekend holiday. It will reopen on Monday (20.06.05).

KLCE CPO Futures (24.06.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Jul'05	1437	1440	1444	1437	+3	1440	287
Aug'05	1436	1440	1444	1433	+4	1440	500
Sep'05	1436	1437	1443	1434	+4	1440	2032



Domestic:

Palm oil

The domestic palm oil market improved marginally amidst conflicting news of uneven advance of monsoon and slight increase in domestic demand.

The Malaysian market today remained closed on its weekend holiday.

The import quantum has grown marginally. In the month of June (till 25.06.05) the country has imported about 1.50 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 375 per tonnes and RBD Palmolein at \$ 410 per tonne.

The price for palm oil in the market is expected to continue range bound on the lower side as the market is expected to receive support from the expected significant rise in KLCE amidst support from the rising futures at the US soybean futures.

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

Centres	25.06.05	24.06.05	Change
Kandla CPO (5 % FFA)	330	326	+4
Mumbai CPO (5% FFA)	332	329	+3
Kandla RBD Palmolein	351	348	+3
Mumbai RBD Palmolein	365	364	+1
Chennai RBD Palmolein	368	367	+1
Kakinada RBD Palmolein	367	366	+1

Soy oil

The domestic market opened on a firm note amidst increased buyer's support in the Indore NBOT futures.

The domestic future market trading started on a firm note but traded lower towards the end of the day's session amidst declining support from the retail end demand. The NBOT (July Contract) exchange closed unchanged at 378.40.

The Hazir market today also improved marginally and owing to the positive sentiments at the futures.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 343 per 10 kg. CNF prices for soy degum (June Shipment) at Kandla were quoted at \$ 525 per tonne.

The market is expected to continue weak for Monday amidst positive developments in the country's monsoon.

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

Centres	25.06.05	24.06.05	Change
Mumbai (Soy ref)	363	362	+1
Indore (Soy Ref oil)	375	373	+2
Indore (Soy Solvent Ex. oil)	351	350	+1
Kota (Soy Ref. Oil)	372	370	+2
Jaipur (Soy Ref. Oil)	374	370	+4

NBOT Soy oil futures as on 25.06.2005 (Rs/10 kg)

Months	Previous Closing	Open	High	Low	Change	Close	Volume
Jul'05	378.40	381.00	381.20	378.30	0.00	378.40	24840
Aug'05	383.40	386.00	386.00	383.50	0.10	383.50	N.A
Sep'05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 24.06.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jul'05	384.25	383.10	383.40	379.50	380.00	31400	35860
Aug'05	388.50	387.90	387.90	384.50	384.95	19730	26290
Sep'05	391.20	389.00	391.00	387.50	387.95	3560	2680

Rape oil

A rape oil market traded mixed amidst news of progressing monsoon and steady low retail demand.

As expected earlier the progress of monsoon has adequately pulled down the market sentiments and the prices are expected to move further down in the coming days.

Today, the rape oil found support from the buyers at major exchanges as well as in the spot markets. In the spot markets the prices improved marginally amidst increased support from the other edible oil markets.

Overall, it is expected that the rape oil will continue trading range bound on lower side for the coming days as the monsoon is expected to progress smoothly in the coming week.

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

Centres	25.06.05	24.06.05	Change
Mumbai (Rape Expeller Oil)	386	385	+1
Kota (Rape Expeller Oil)	368	365	+3
Jaipur (Rape Expeller Oil)	370	366	+4
Neewai (*Kacchi Ghani Rape Oil)	385	383	+2
Delhi (Rape Expeller Oil)	392	390	+2

Groundnut oil

Groundnut oil improved marginally at various centres due to increase in local demand and news of uneven progress monsoon in the major growing areas.

The latest seeding report suggests that the area under groundnut farming was 1.95 lakh hectare as on week ending June 17th against 4.83 lakh hectares on the same day last year.

The range-bound firm trade in groundnut oil prices is expected for the coming week amidst increase in the retail demand.

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

Centres	25.06.05	24.06.05	Change
Mumbai	455	452	+3
Rajkot	480	480	0
Andhra Region	490	487	+3
Chennai	494	492	+2

LATEST WEATHER WATCH (25.06.2005)

All India Medium Range Weather Forecast Valid For Next 5 Days

A. Monsoon Today

The Southwest Monsoon has advanced as a weak current over the remaining parts of Maharashtra, Karnataka, Andhra Pradesh, Orissa, Bihar and Jharkhand, entire Chhatisgarh, some more parts of east Uttar Pradesh, Saurashtra & Kutch, Gujarat regions and Southern parts of Madhya Pradesh. Northern limit of monsoon passes through lat. 23° N/long. 60°E, lat. 23° N/long. 65° E, Naliya, Ahmedabad, Bhopal, Jabalpur, Varanasi, Bahraich and lat 29°N/long.81°E

B. Monsoon Outlook for next 5 days

Conditions are becoming favourable for formation of a low pressure area over North-west Bay of Bengal and adjoining area around 27th June 2005.

Conditions are favourable for further advancement of monsoon over parts of west Uttar Pradesh, Uttranchal, some more parts of West Madhya Pradesh, Gujarat region, Saurashtra and Kutch, and parts of South-east Rajasthan during next 4 days.

With the strengthening monsoon circulation, favourable condition may build up for further advancement of monsoon over parts of Himachal Pradesh and Haryana (including Delhi) after 28th June.

NORTH & NORTH-WEST INDIA [J&K, HP, UTTRANCHAL, PUNJAB, HARYANA, WEST UP]

Scattered rainfall is likely over West UP and Uttranchal and Isolated over rest parts of the region during next 4 days.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Northeastern States and West Bengal are likely to receive fairly widespread to widespread rains/thundershowers with isolated heavy to very heavy rains during next 5 days. Rainfall activity over Orissa, Bihar and Jharkhand may enhance during next 5 days. East U.P. is likely to fairly widespread rainfall during next 3 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Vidarbha and Chattisgarh are likely to receive scattered rainfall during next 3 days.

SOUTH INDIA [TAMIL NADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

Fairly widespread rainfall is likely over Andaman & Nicobar Islands, Coastal Karnataka and Coastal A.P, Scattered in

Lakshadeep, Kerala, South Interior Karnataka, and Isolated over north-interior Karnataka, Tamil Nadu, Telangana and Rayalseema during next 3 days.

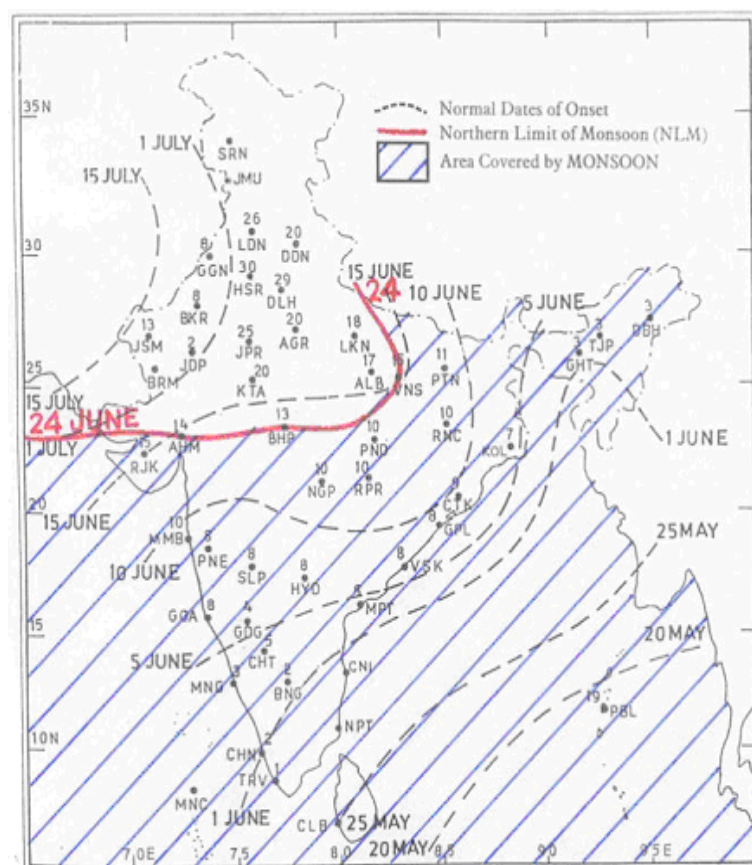
WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

Widespread rainfall with isolated heavy to very heavy rainfall is likely over Konkan & Goa, Scattered to fairly wide spread over Madhya Maharashtra, Marathwada, South Gujarat region, south Saurashtra & Kutch during next 3-4 days. Rajasthan is likely to experience mainly dry weather along with heat wave conditions during next 3-4 days.

Agricultural Activities:

In Tamil Nadu, the rainfall was above normal in some parts of the state during the last week. Northern parts of Tamil Nadu received rainfall and which helps the standing crops of groundnut. Field preparation is in progress in southern districts of Tamil Nadu for monsoon crop cultivation. Mild to moderate infestation of leaf miner on groundnut was observed in north and south Tamil Nadu regions of the state.

Current Progress of Monsoon (24.06.05)



TECHNICAL ANALYSIS

COMMODITY: SOY OIL

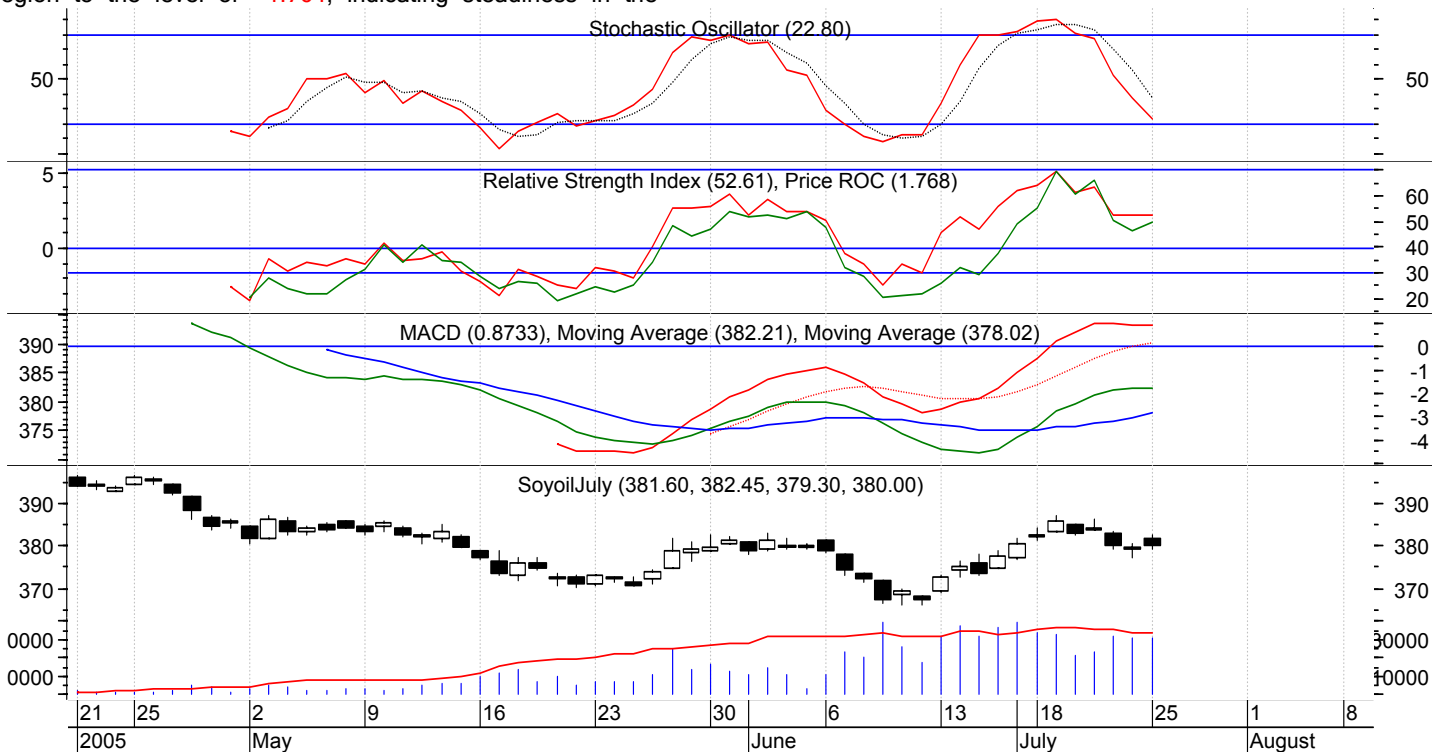
Perspective: Very Short Term

NCDEX JULY Contract

The July contract closed at **380.00**, which is marginally lower than the yesterday's close level. Market opened firm but traded range bound on absence of support from the International markets and news of smoothly advancing monsoon.

The 7-day MA today turned lower giving signals weakening prices in the market whereas the 14-day MA continued up supporting the continuing strength in trend. Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 9 period(s) ago. Since the MACD crossed its moving average, Soyoil July's price has increased 1.77%, and has ranged from a high of 387.15 to a low of 373.10.

The 9-days Price ROC improved marginally in the positive region to the level of **+1.764**, indicating steadiness in the



prices. The 9-day RSI also moved up in the neutral region to a level of **52.61** showing the gripping strength in the markets.

The % K-line continued moving down in the neutral region indicating the loosing strength of the prices. The % D-Line also continued lower in the neutral region indicating the weak sentiments in the prices.

The candlestick pattern is hinting at the steady opening and lower trade for Monday.

Market advice:

Market is expected to open steady and trade lower for Monday.

Short term selling would yield profit.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	July '05	377.00	375.80	380.20	381.60
NCDEX	July '05	378.50	377.60	381.70	382.60

PORT-WATCH (Latest)

Kandla Port is receiving 13,937 MT of CPO from the vessel 'Ginga Hawk'. The cargo was loaded from Malaysia. Interocean agents is handling the vessel.

'Global Venus' has berthed at Chennai Port and continues to discharge 4,000 MT of CPO. The vessel is being handled by Patvolk agents. Delivery of 2,500 MT of palm oil is expected at Chenai Port from the vessel 'Countess'. Seaport agents will be handling the vessel.

Tuticorin Port is receiving 5,000 MT of palm oil from the vessel 'Spring Glory'. St.John agents is handling the vessel.

JN Port is receiving 10,000 MT of CPO from the vessel 'Marine Pioneer'. The vessel is being handled by Interocean agents. The port is expecting 'Siren' to discharge 30,000 MT of SBO.

Cochin Port is expecting 'Vernal Grace' to deliver 3,000 MT of palm oil. Pearl Shipping agents will be handling the vessel.

Delivery of 3,500 MT of palm oil is expected at New Mangalore Port from the vessel 'Vernal Grace'.

Mundra Port is expecting 'Global Trader' to load 5,300 MT of SBO. Taurus agents will be handling the vessel.

'Ace I' and 'Acushnet' are expected at Kakinada Port to discharge 6,000 MT of CPO and 6,000 MT of SBO respectively.

'Ocean Ace' is expected at the Kolkota Port to deliver 6,000 MT of CPO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Ginga Hawk	13937	CPO	Arrived
Cochin	Vernal Grace	3000	Palm oil	Expected
Tuticorin	Spring Glory	5000	Palm oil	Arrived
Chennai	Countess	2500	Palm oil	Expected
	Global Venus	4000	CPO	Arrived
Mundra	Global Trader	5300	SBO	Expected
Kakinada	Ace I	6000	CPO	Expected
	Acushnet	6000	SBO	Expected
Kolkata	Ocean Ace	6000	CPO	Expected
JN	Marine Pioneer	10,000	CPO	Arrived
	Siren	30,000	SBO	Expected
New Mangalore	Vernal Grace	35000	Palm oil	Expected

Groundnut Seeding Progress (till 17th 06.05)

STATE	Total for the season		By the week end		
	NORMAL	2004-2005 Prelim.	2003	2004	2005
Andhra Pradesh	14.18	15.94	0.06	0.54	0.12
Assam	0	0	0	0	0
Bihar	0.01	0	0	0	0
Chhattisgarh	0.33	0.62	0	0	0
Gujarat	18.43	18.92	0.75	2.02	0.85
Haryana	0.01	0.03	0	0	0
Karnataka	7.84	7.84	0.05	0.9	0.23
Madhya Pradesh	2.17	2.15	0	0	0
Maharashtra	3.68	3.38	0	0.03	0
Orissa	0.33	0.92	0	0	0
Punjab	0.05	0.06	0	0	0
Rajasthan	2.33	2.73	0.33	1.19	0.39
Tamil Nadu	4.44	3.84	0.75	0.13	0.35
Uttar Pradesh	1.02	1.16	0	0	0
West Bengal	0.02	0.05	0	0	0
Others	0.03	0.09	0.16	0.02	0.01
TOTAL	54.87	57.73	2.1	4.83	1.95

Soybean Seeding Progress (till 17th 06.05)

STATE	Total for the season		By the week end		
	NORMAL	2004-2005 Prelim.	2003	2004	2005
Andhra Pradesh	0.31	0.92	0	0.2	0
Assam	0	0	0	0	0
Bihar	0	0	0	0	0
Chhattisgarh	0.14	1.01	0	0	0
Gujarat	0.1	0.27	0	0	0
Haryana	0	0.02	0	0	0
Karnataka	0.66	1.78	0.06	0.88	0.09
Madhya Pradesh	43.44	46.43	0	0	0
Maharashtra	12.51	22.58	0	0.24	0.08
Orissa	0	0	0	0	0
Punjab	0	0.06	0	0	0
Rajasthan	5.55	5.95	0	0.05	0
Tamil Nadu	0	0.02	0	0	0
Uttar Pradesh	0.11	0.19	0	0	0
West Bengal	0.01	0	0	0	0
Others	0.34	0.34	0.09	0	0
TOTAL	63.17	79.57	0.15	1.37	0.17

Forex Rates (As on 25.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
Malaysia	Ringgit	11.46
European Union	Euro	52.72
United Kingdom	GBP	79.45
Japan	100 Yen	39.94

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