

VEGOIL

20th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soybean Oil Continued Higher on Rising Buyers Support
- Soybean Oil Prices Higher on Uncertainty of Monsoon

* Latest Weather Report (20.06.05)

MARKET HIGHLIGHTS & ANALYSIS

International:

CBOT (US Soybean Oil):

CBOT market remained closed during the weekend holiday. Market commentary will be available on 21.06.05

CBOT Soy oil futures as 18 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	24.10	24.09	25.15	24.09	+0.98	25.08
Aug '05	24.18	24.34	25.25	24.34	+1.03	25.21
Sep '05	24.28	24.46	25.30	24.46	+1.02	25.30

CBOT remains closed on Saturday and Sunday.

KLCE (Malaysian Palm Oil):

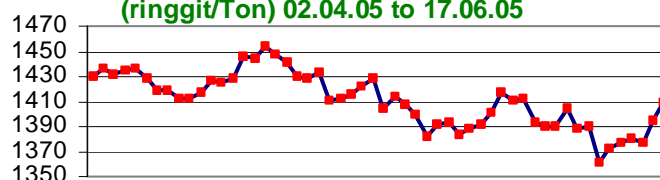
Crude palm oil futures on the Bursa Malaysia Derivatives ended sharply higher Monday, boosted by a weather-inspired rally in soyoil futures. The benchmark September CPO contract ended at MYR1,440 a metric ton, up MYR31 from Friday. Monday's closing price was the highest for the benchmark contract in more than 2 1/2 months. CPO futures rose in reaction to a run-up in soyoil futures on the Chicago Board of Trade last Friday. July soyoil ended 98 points higher at 25.08 cents a pound Friday. As long as the dry weather continues there, we should be seeing more upside at CBOT. But palm oil is not going to follow exactly the magnitude of soyoil's rise because fundamentals are still not that bullish. Soyoil futures rose about 10% in the past week due to concerns that recent dry weather in key soybean-growing areas would hurt productivity. CPO futures are still lagging the gains in soyoil, up about 5% over the same period. Concerns over excess supply are partly holding back the palm oil market. With no fresh supply and demand data due to be released for the rest of the week, palm oil prices are likely to take their cue from soyoil futures in the coming sessions. The market Monday failed to breach resistance at MYR1,450 but is expected make another attempt Tuesday if soyoil futures continue their uptrend in overnight trading. In the Malaysian cash market, palm oil products moved higher in tandem with the CPO futures market. RBD palm olein for July/August/September and

October/November/December deliveries were offered at \$410/ton, up \$10 from Friday. Trades were reported for August/September at \$407.50/ton, bought by a Singapore-based trading company. Overall, trading activity was still rather subdued as buyers remained hesitant, unsure if the rise in prices could last. June/July CPO, locally delivered, was offered at MYR1,450/ton, up MYR35 from Friday. Trading volume in CPO futures totaled 10,924 lots compared with 6,569 lots Friday. Open interest totaled 27,620 lots compared with 27,659 lots.

KLCE CPO Futures (20.06.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Jun '05	1410	1435	1447	1434	34	1444	1089
Jul '05	1409	1440	1447	1433	31	1440	2322
Aug '05	1409	1438	1447	1433	31	1440	6768

CPO futures at Bursa Malaysia Derivatives (ringgit/Ton) 02.04.05 to 17.06.05



Domestic:

Palm oil

The domestic palm oil market traded significantly higher amidst increased support from the US soybean markets.

The Malaysian market today remained bullish and made possible gains in the market. The import quantum has grown marginally. In the month of June (till 18.06.05) the country has imported about 1.05 lakh tonnes of palm oil.

CNF prices of CPO (June) were quoted at \$ 368 per tonnes and RBD Palmolein at \$ 399 per tonne.

The price for palm oil in the market is expected to continue range bound on the higher side for the week, as the market is expected to receive support from the uncertain monsoon conditions.

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

Centres	20.06.05	18.06.05	Change
Kandla CPO (5 % FFA)	330	329	+1
Mumbai CPO (5% FFA)	335	334	+1
Kandla RBD Palmolein	356	355	+1
Mumbai RBD Palmolein	366	364	+2
Chennai RBD Palmolein	368	367	+1
Kakinada RBD Palmolein	368	368	0

Soy oil

The domestic market opened firm at the futures and traded sharply positive in the spot markets due to news of increasing uncertainty in the monsoon arrival and rising support from the international markets.

Majority of the traders are still interested in keeping their positions open as the bullish sentiments continues in the market following various contradicting statements regarding the progress of the monsoon in India.

The domestic future market trading started on a steady note and remained range bound for the day. The NBOT (July Contract) exchange moved up from yesterday's level to close at a level of 386.1 (up by Rs. 4.90).

The Hazir market today also improved marginally amidst lack of support from the uncertainty in the monsoon.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 348 per 10 kg. CNF prices for soy degum (June Shipment) at Kandla were quoted at \$ 524 per tonne.

Overall the market is expected to continue on the higher side for the coming days amidst expected increased support from the US markets and growing uncertainty in the monsoon.

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

Centres	20.06.05	18.06.05	Change
Mumbai (Soy ref)	362	362	0
Indore (Soy Ref oil)	375	375	0
Indore (Soy Solvent Ex. oil)	452	452	0
Kota (Soy Ref. Oil)	375	373	+2
Jaipur (Soy Ref. Oil)	372	375	+3

NBOT Soy oil futures as on 20.06.2005 (Rs/10 kg)

Months	Previous Closing	Open	High	Low	Change	Close	Volume
Jul 05	381.20	384.30	386.5	383.80	+4.90	386.10	44330
Aug05	384.50	NA	NA	NA	0.00	NA	NA
Sept'05	0.00	NA	NA	NA	0.00	NA	NA

NCDEX Soy oil futures as on 18.06.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jun '05	373.20	373.65	374.95	373.60	374.10	6790	13110
Jul '05	380.75	382.10	384.10	381.25	382.40	33600	35470
Aug '05	383.85	384.95	387.10	384.40	385.25	14590	19670

Rape oil

A rape oil market continued to rise amidst significant gains in the soyoil market and rising buying support at major mustard exchanges.

NAFED has offered the purchased mustard seeds to be sold in the open market in Kota and adjoining markets at the rate of Rs. 1550-1600 per quintal. Few traders / mill owners showed some interest at these rates.

The uncertain monsoon in the country is also responsible for the prevailing rising trend in the prices, but as soon as the rain arrives, the market is expected to make a significant downward movement.

Today, the rape oil found increased support from the buyers at major exchanges as well as in the spot markets. In the spot markets the prices jumped significantly amidst growing uncertainty in the amount and timing of monsoon.

Today the new crop arrival reached 1.00 lakh bags in Rajasthan and about 0.40 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape oil will continue trading range bound on higher side for the coming days amidst increased support from the soybean oil market.

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

Centres	20.06.05	18.06.05	Change
Mumbai (Rape Expeller Oil)	392	386	+6
Kota (Rape Expeller Oil)	367	365	+2
Jaipur (Rape Expeller Oil)	372	368	+4
Neewai (* Kacchi Ghani Rape Oil)	387	385	+2
Delhi (Rape Expeller Oil)	394	392	+2

Groundnut oil

Groundnut oil continued on the higher side at various centres amidst support of the increasing local demand and growing uncertainty in the monsoon.

The latest seeding report suggest that the area under groundnut farming was 81000 hectare as on June 13th against 119000 hectares on the same day last year.

The rising sentiment in the other edible oils is also causing upward movement in the groundnut oil prices.

The range-bound positive trade in groundnut oil prices in the domestic markets is likely to continue for the week amidst of increased demand.

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

Centres	20.06.05	18.06.05	Change
Mumbai	470	470	0
Rajkot	489	488	+1
Andhra Region	496	496	0
Chennai	498	497	+1

LATEST WEATHER WATCH (21.06.2005)

All India medium range weather forecast valid for next 5 days.

Monsoon Outlook for next week

Southwest monsoon has further advanced over some more parts of east central Arabian Sea, south Madhya Maharashtra, parts of north Interior Karnataka, entire

Rayalaseema, parts of Telangana, coastal Andhra Pradesh and some more parts of west-central and north Bay of Bengal. Northern limit of monsoon passes through 19 deg. N/60 deg. E, 19 deg. N/70 deg. E, Mumbai, Pune, Kurnool, Kakinada, 19 deg. N/87 deg. E, 21 deg. N/89 deg. E, 24 deg. N/90 deg. E and Gangtok. NCMRWF model prediction suggests that monsoon may progress further and cover entire Konkan & Goa, south Gujarat region, more parts of Madhya Maharashtra, parts of Marathwada, some more areas of Telangana, entire coastal Andhra Pradesh, parts of Orissa, entire west Bengal, parts of East Bihar and Jharkhand during next 5 days.

North & North-West India [J&K, Hp, Uttranchal, Punjab, Haryana, West Up]

Mainly dry weather is likely to prevail over plains of northwest India during next 5 days. • Plains of north India are likely to experience moderate heat wave conditions over parts of west U.P. and Haryana during next 2-3 days. A weak western disturbance is likely to move across J&K and adjoining hilly regions of NW India in an eastward direction. It may cause isolated rainfall/snowfall over hilly regions of NW India during next 24 Hrs.

East And NE India [East Up, Bihar, Jharkhand, West Bengal, Orissa, NE States]

North-eastern states and west Bengal are likely to receive fairly widespread to widespread rains/thundershowers during next 3-4 days. Scattered rain/thundershowers are expected over Orissa and isolated over Jharkhand and Bihar during next 4-5 days. • Heat wave condition may improve over Orissa and Bihar during next 3 days. Heat wave condition over east U.P. may continue.

Central India [MP, Chhattisgarh, Vidarbaha]

Vidarbaha and Chhattisgarh are likely to receive isolated to scattered rains during next 3-4 days. Prevailing Heat wave condition over Chhattisgarh and Vidarbaha is likely to improve during next 3-4 days.

South India [Tamilnadu, AP, Kerala, Karnataka, Andaman & Nicobar Islands, Lakshadeep]

Fairly widespread to widespread rainfall is likely over Andaman & Nicobar Islands, and Scattered rainfall over Lakshadeep, Kerala, Coastal Karnataka, South Interior Karnataka north-interior Karnataka, South Coastal A.P., Telangana and Rayalaseema during next 3 days. Rest of the region is expected to receive isolated rainfall.

West India [Maharashtra Other Than Vidarbaha, Gujarat, Rajasthan]

Widespread rainfall with isolated heavy to very rainfall is likely over Konkan & Goa; Scattered to fairly wide spread over Madhya Maharashtra, Marathwada and South Gujarat region

and isolated over Sourashtra & Kutch during next 3-5 days. Rajasthan is likely to experience mainly dry weather during next 5 days.

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX JULY Contract

The July contract closed at **385.70**, which is above the yesterday's close level. Market opened firm and continued up for the day amidst news of uncertain progress of monsoon and increased support from the International markets.

The **7-day MA** has moved above the **14-day MA** making a bullish crossover indicating growing strength in trend. Currently the MACD is bullish since it is trading above its signal line. Since the MACD crossed its moving average, Soy oil July's price has increased 3.29%, and has ranged from a high of **387.15** to a low of **383.35**.

The **9-days Price ROC** moved higher in the positive region to the level of **+5.010**, indicating increasing strength in the prices. The **9-day RSI** also improved marginally (pointing downward) in the neutral region to a level of **69.20** indicating the existing strength in the markets.

The **% K-line** continued up and has entered the overbought from the neutral region indicating the rising strength of the prices. The **% D-Line** also progressed up and entered the overbought region indicating the improving sentiments in the prices. The trade is in extended overbought region indicating downward technical correction shortly.

The **candlestick** pattern is hinting at the firm opening and higher trade for Tuesday.

Market advice:

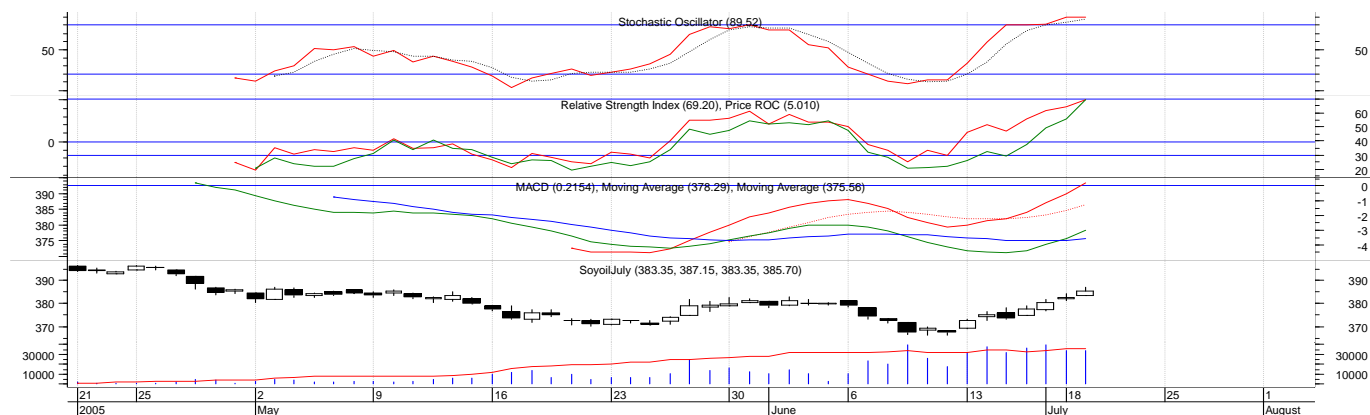
Market is expected to open firm and trade on the higher side for Tuesday.

Short term & medium term buying would yield profit

The bullish sentiment is likely to continue for few more days till monsoon continues to be uncertain.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	July '05	383.50	382.00	386.00	387.80
NCDEX	July '05	384.80	383.50	386.90	388.50



PORT-WATCH (Latest)

Ace 7' from Belawan has berthed at Kandla Port and continues to deliver 11,50 MT of CPBO. The vessel is being handled by Interocean agents. 'Ginga Hawk' from Malaysia is expected at Kandla Port to discharge 13,937 MT of CPO. Interocean agents will be handling the vessel. The port is expecting 'Bow Fraternity' to discharge 5,000 MT of CPO. The cargo was loaded from Dumai. Intera Trade agents will be handling the vessel.

Delivery of 9,500 MT of palm oil is continuing at Mumbai Port from the vessel 'Shamrock Moon'. James Mackintosh agents is handling the vessel.

Cochin Port is receiving 6,000 MT of palm oil from the vessel 'L Star'. Seaworl is handling the vessel. 'Spring Glory' will be arriving at the port shortly to discharge palm oil. St.John agents will be handling the vessel.

'MMM Houston' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. The vessel is being handled by Seaport agents. Delivery of 6,500 MT of CPO is continuing at the port from the vessel 'Bumik'. Interocean is handling the vessel.

Tuticorin Port is expecting 'Spring Glory' to deliver 5,000 MT of palm oil. St.John agents will be handling the vessel.

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

Mundra Port is expecting 'Global Trader' to deliver 5,300 MT of SBO. Taurus agents will be handling the vessel. Current vessels Positions:

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	MMM Houston	6000	CPO	Arrived
	Bumik	6500	CPO	Arrived
Kandla	Ace 7	11500	CPO	Arrived
	Ginga Hawk	13937	CPO	Expected
	Bow Fraternity	5000	CPO	Expected
Cochin	L Star	6000	Palm oil	Arrived
	Spring Glory	-	Palm oil	Expected
Mumbai	Shamrock Moon	9500	Palm oil	Arrived
Tuticorin	Spring Glory	5000	Palm oil	Expected
Chennai	Countess	2500	Palm Oil	Expected
	Global Venus	4000	CPO	Expected
Mundra	Global Trader	5300	SBO	Expected

Forex Rates

(As on 20.06.2005)

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.54
Malaysia	Ringgit	11.47
European Union	Euro	53.22
United Kingdom	GBP	79.50
Japan	100 Yen	40.05

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