

VEGOIL

30th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Improved Significantly on Weather uncertainty and Declining Crop Acreage
- South American Soybean Declined Marginally on Bearish Weather Forecast
- BMD CPO Future Declined Marginally On Bearish Export Figures
- Soybean Oil declined marginally amidst declining retail support and increased Supply

* Latest Monsoon Progress [30.06.05]

MARKET HIGHLIGHTS & ANALYSIS

International:

CBOT (US Soybean Oil):

Futures experienced some two-sided action, with consolidation from the market's nearly 80-cent slide over the past two days providing support, while forecasts improving the chances of rain for the eastern Midwest next week applied pressure on the downward side.

Mid-day weather models, which showed increase chances of rain over the short-term and for next week for Illinois and the delta helped drive the market, lower on the day after the early moderate gains.

Some light rains of 1/4 to 1/2 inch fell in parts of central and eastern Illinois overnight, but traders believe the rains were not enough to relieve stressful conditions with about 30-40% coverage favoring the eastern parts of the state.

Positioning ahead of key USDA reports on Thursday morning added to the positive tone. For the USDA Planted Acreage report, released before the opening tomorrow, traders are looking for soybean planted acreage to come in near 73.1 million acres as compared with the March estimate at 73.9 million acres.

In the Grain Stocks report, traders look for June 1st soybean stocks near 715 million bushels as compared with 411 million last year.

In the weekly export sales report, also released before the opening, traders are expecting soybean sales near 50,000-100,000 tonnes, meal sales near 35,000-70,000 tonnes and oil sales near 2,000-6,000 tonnes.

In pit trades, ADM Investor Services bought 600 July, FCStone, O'Connor and Fimat each bought 300 November, Cargill Investor Services, Citigroup and Refco each bought 500 November. On the sell side, Fimat sold 2,000 November, RJ O'Brien sold 1,000 August, Cargill and Prudential Financial each sold 300 November with Citigroup a seller of 500 November. Commodity funds were estimated sellers of 2,000 contracts.

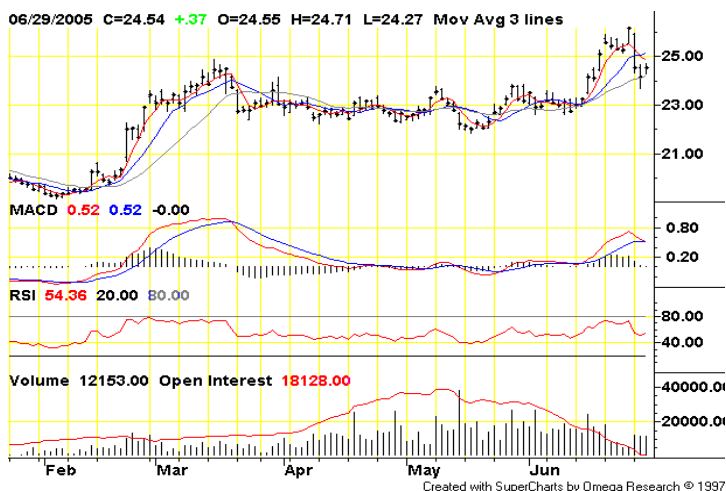
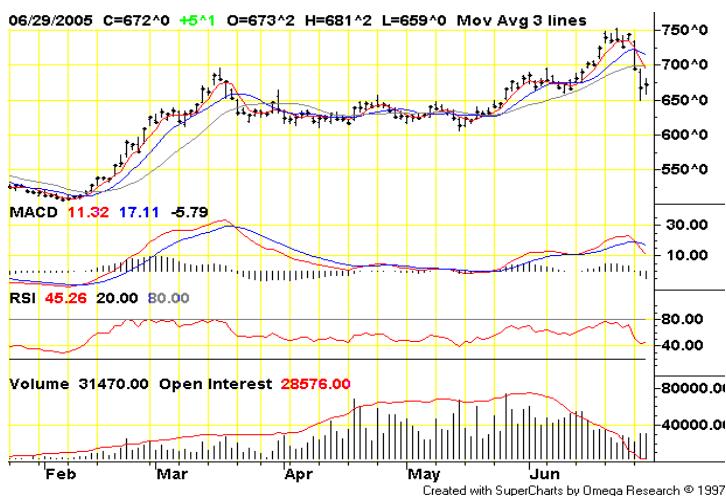
Trade is expected to be on the negative side today evening amidst growing uncertainty in the weather conditions and increasing possibilities of good rains in the coming days.

CBOT Soy oil futures as 29 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	24.17	24.58	24.71	24.30	+0.37	24.54
Aug '05	24.27	24.60	24.81	24.41	+0.34	24.61
Sep '05	24.39	24.75	24.87	24.50	+0.33	24.72

CBOT remains closed on Saturday and Sunday.

Continuation chart of CBOT (Soybean & Soybean Oil)



South American Soybean Market

Producer selling in Brazil has been very active over the past several weeks, with some reports that the selling had caught up with the normal pace after being behind. However, the sharp 2-day break in futures caused producer selling to grind to a halt.

End users also froze on the break, and determining where the cash market stands in Brazil is a difficult task at this point. Early signals for the upcoming Brazil crop suggest declining production. Seed sales are down sharply (10% sold versus 70% sold last year at this time), and for the first 5 months of this year, fertilizer sales are down 24% from last year's pace.

Talk of lower production for the first time in years might help provide some underlying support for the new crop, as government support for producers may not be enough to offset heavy losses in some areas.

The overbought condition of the market and a few days of cooler and possibly wetter weather forecast for the Midwest helped trigger the start of the corrective break, and fund selling emerged to drive the market down \$1.07 off of Sunday night's peak before new crop soybeans stabilized.

Slower demand from China, improved weather in China and India and slow demand for exports from the US remain short-term negative forces.

Scattered thunderstorms over the next few days for Illinois along with a cool down in temperatures from the upper 90's expected for Wednesday might help ease stress, but it does not appear to be enough to shift the weather trend.

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended lower on Thursday, dragged down by declines in soy complex futures in electronic trading ahead of the release of key soybean crop figures.

Estimates showing weaker palm oil exports in June had little impact on the market, which was unchanged in the morning session. Instead, the market took its cue largely from soy complex futures, which fell sharply in afternoon screen trading.

There was talk that the USDA figures may not be so friendly and there was also some concern about the latest mad cow discovery. All these factors, along with the improving weather conditions and the lack of any major problems with Asian rust, put some pressure on the soy complex. Palm oil is just following the weakness.

USDA confirmed that a cow it diagnosed last week with mad-cow disease, or bovine spongiform encephalopathy, was born and raised in Texas. The confirmation was significant as it makes the animal the first native-born case of BSE in the U.S. Concerns over the possibility of BSE infecting other cows weighed on market sentiment, as demand for animal feed such as soymeal could potentially be affected.

Cargo surveyor Intertek Agri Services estimated June Malaysian palm oil exports at 1.22 million tons, down 11.6% on month. Another surveyor SGS (Malaysia) Bhd pegged June exports at 1.23 million tons, down 9.5% on month. The estimates from both surveyors were slightly below market expectations as speculation was for exports of around 1.25 million to 1.28 million tons.

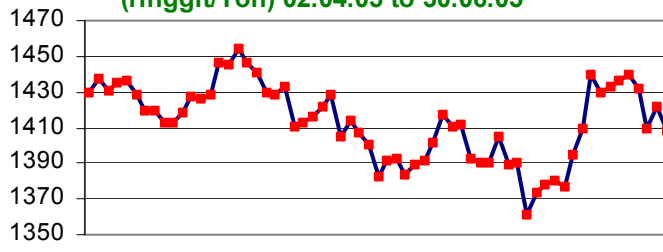
Official output figures are due to be issued mid-July by the Malaysian Palm Oil Board. Traders said with no fresh supply and demand indicators due in the coming days; the palm oil market will look to soyoil for direction in the near-term.

The Malaysian market is expected to continue marginally lower on Monday amidst expected support from the US soybean market.

KLCE CPO Futures (30.06.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Jul'05	1423	1420	1421	1404	-13	1410	208
Aug'05	1422	1419	1421	1404	-13	1409	228
Sep'05	1422	1424	1424	1403	-14	1408	3014

CPO futures at Bursa Malaysia Derivatives (ringgit/Ton) 02.04.05 to 30.06.05



Domestic:

Palm oil

The domestic palm oil market today declined marginally amidst smooth advance of monsoon and declining support from the Malaysian market.

The Malaysian markets today traded significantly lower amidst weak export report and declining support from the international markets.

The import quantum has grown marginally. In the month of June (till 28.06.05) the country has imported about 2.00 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 372.50 per tonnes and RBD Palmolein at \$ 402.50 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 declining support from the international markets.

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

Centres	30.06.05	29.06.05	Change
Kandla CPO (5 % FFA)	324	325	-1
Mumbai CPO (5% FFA)	325	326	-1
Kandla RBD Palmolein	347	349	-2
Mumbai RBD Palmolein	360	361	-1
Chennai RBD Palmolein	363	365	-2
Kakinada RBD Palmolein	367	365	+2

Soy oil

The domestic market opened range bound but continued on the lower side amidst indecisive sentiments at the Indore NBOT futures and declining support from the international markets.

The domestic future market trading started on a negative note and traded range bound for the whole day in the negative region amidst declining support from the retail as well as the international markets. The international market is also supporting the up trend in the market for long run, but the status and progress of Indian monsoon is dominating over the

international indicators keeping the market range bound. The NBOT (July Contract) exchange closed marginally lower at Rs. 371.00 (Up by Rs. 0.70).

The Hazir market today also declined marginally and owing to the plummeting sentiments at the futures.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 338 per 10 kg. CNF prices for soy degum (June Shipment) at Kandla were quoted at \$ 506 per tonne.

The market is expected to open weak for Friday but trade range bound renewed upward movement in the second half of the trade cannot be denied.

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

Centres	30.06.05	29.06.05	Change
Mumbai (Soy ref)	359	360	-1
Indore (Soy Ref oil)	366	368	-2
Indore (Soy Solvent Ex. oil)	345	346	-1
Kota (Soy Ref. Oil)	367	368	-1
Jaipur (Soy Ref. Oil)	367	369	-2

NBOT Soy oil futures as on 30.06.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Jul'05	371.70	371.00	371.70	369.70	-0.70	371.00	32260
Aug'05	377.70	376.50	377.00	375.80	-0.80	376.90	3200
Sep'05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 29.06.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jul'05	372.55	371.10	373.85	370.60	372.85	20780	28060
Aug'05	378.10	376.65	379.40	376.10	378.00	13990	26890
Sep'05	380.85	379.80	382.00	379.00	380.65	4070	6110

Rape oil

A rape oil market declined marginally amidst declining support from the soybean oil futures and lower retail demand.

The smooth progress of the monsoon in the parts of Haryana, Punjab and Rajasthan pulled down the market.

Today, the rape oil found declining support from the buyers at major exchanges at the start of the trade and it continued so amidst increasing uncertainty as the day progressed. In the spot markets the prices continued on the higher side amidst uncertain support from the other edible oil markets.

Overall, it is expected that the rape oil will continue trading range bound on higher side for Friday as the retail demand is expected to increase marginally.

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

Centres	30.06.05	29.06.05	Change
Mumbai (Rape Expeller Oil)	380	382	-2
Kota (Rape Expeller Oil)	365	366	-1
Jaipur (Rape Expeller Oil)	367	367	0
Neewai (* Kacchi Ghani Rape Oil)	380	382	-2
Delhi (Rape Expeller Oil)	388	390	-2

Groundnut oil

Groundnut oil today continued lower at various centres due to unsteady and low local demand and indecisive sentiments in the other edible oil markets.

The latest seeding report suggests that the area under groundnut farming was 1.94 lakh hectare as on week ending June 20th against 4.83 lakh hectares on the same day last year.

The domestic demand is not expected to improve significantly in the coming days amidst growing uncertainty in the edible oil markets.

The range-bound trade in groundnut oil prices is expected to trade range bound in the coming days amidst unsteady retail demand and smoothly advancing monsoon.

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

Centres	30.06.05	29.06.05	Change
Mumbai	453	454	-1
Rajkot	484	485	-1
Andhra Region	488	490	-2
Chennai	487	490	-3

LATEST WEATHER WATCH (30.06.2005)

Progress of Monsoon

Southwest monsoon has further advanced into entire Arabian Sea, the remaining parts of Gujarat, East Rajasthan, Punjab, Haryana, Himachal Pradesh, entire Jammu & Kashmir and parts of West Rajasthan. Northern Limit of Monsoon passes through Lat. 26°N/ Long. 70°E, Barmer, Jodhpur, Bikaner, Ganganagar and Lat. 31°N/ Long. 73°E. Yesterday's depression over Jharkhand and neighbourhood remained practically stationary and continues to lie till today afternoon (at 1430 hours I.S.T.) close to Jamshedpur. It is likely to move slowly in a west-northwesterly direction. The off shore trough at sea level over east Arabian sea from Gujarat to Konkan coast persists. Yesterday's upper air cyclonic circulation over north Gujarat and adjoining southwest Rajasthan now lies over Gujarat & neighbourhood and extends between 1.5 and 5.8 km a.s.l. tilting southwards with height. The upper air cyclonic circulation over West Uttar Pradesh and neighbourhood now lies over southeast Rajasthan and neighbourhood and extends upto 1.5 km a.s.l.. The seasonal trough at 0.9 km a.s.l. runs from centre of above cyclonic circulation to north Bay of Bengal through Haryana, north Madhya Pradesh, Jharkhand and North Orissa. During past 24 hours, Southwest monsoon has been vigorous over Gangetic West Bengal, Orissa Chhattisgarh, Gujarat State and North Interior Karnataka and active over Himachal Pradesh and south Madhya Maharashtra. Rain/Thundershowers occurred at most places over Sub-Himalayan West Bengal & Sikkim, Konkan & Goa, north Madhya Maharashtra and Coastal Karnataka; at many places over Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Jharkhand, Uttaranchal, Jammu & Kashmir, East Rajasthan, Vidarbha and Kerala; at a few places over Bihar, Uttar Pradesh, Haryana, Punjab, West Rajasthan, Madhya Pradesh, Telangana and South Interior Karnataka. It was isolated in the rest region of the country outside Lakshadweep where weather was mainly dry.

Forecast Valid for Next 24 Hours

Rain/thundershowers are likely at most places over Orissa, East Madhya Pradesh, Chhattisgarh, south Gujarat region, Saurashtra, Kutch & Diu and Konkan & Goa; at many places over northeastern States, West Bengal & Sikkim, Jharkhand, Haryana, Chandigarh and Delhi, Punjab, Himachal Pradesh, East Rajasthan, West Madhya Pradesh, north Gujarat Region, rest Maharashtra, north Coastal Andhra Pradesh, Telangana, Coastal & North Interior Karnataka and Kerala; at a few places over in the rest region of the country outside Tamil Nadu & Pondicherry and Lakshadweep where it may be Isolated.

Heavy Rains Warning

Heavy to very heavy rainfall likely at a few places over Orissa, Jharkhand, East Madhya Pradesh, Chhattisgarh, north Konkan, Saurashtra & Kutch and south Gujarat Region. Isolated heavy rainfall also likely over northeastern States, West Bengal & Sikkim, Himachal Pradesh, north Gujarat, south Konkan & Goa, Madhya Maharashtra, Vidarbha, Coastal Karnataka and Kerala.

Outlook For Subsequent 48 Hours

Enhanced rainfall activity over central parts of the country is likely to shift to the western parts of the country.

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX JULY Contract

The July contract closed at **371.50**, which is marginally lower than the yesterday's close. Market opened partially weak and continued in the downward direction for most of the day, before closing at an improved position amidst growing uncertainty in the domestic demand and news smoothly progress monsoon.

The 7-day MA today continued lower giving signals weakening prices in the market along with the 14-day MA. It has made a bearish crossover of the 14-day MA indicating the growing weakness. Currently the MACD is **bearish** since it is trading below its signal line. The MACD crossed below its signal line 2 period(s) ago. Since the MACD crossed its moving average, Soyoil July's price has **decreased 0.20%**, and has ranged from a high of 373.85 to a low of 366.25.

The **9-days Price ROC** declined significantly in the negative region to the level of **-3.666**, indicating increasing weakness in the prices. The **9-day RSI** declined marginally in the neutral region to a level of **35.53** showing the weakness in the prices.

The **% K-line** continued up the neutral region indicating the growing strength in the prices. The **% D-Line** also continued up in the neutral region indicating the rising strength in the market prices.

The **candlestick** pattern is hinting at the positive opening and higher trade for Friday amidst expected support from the US soybean market.

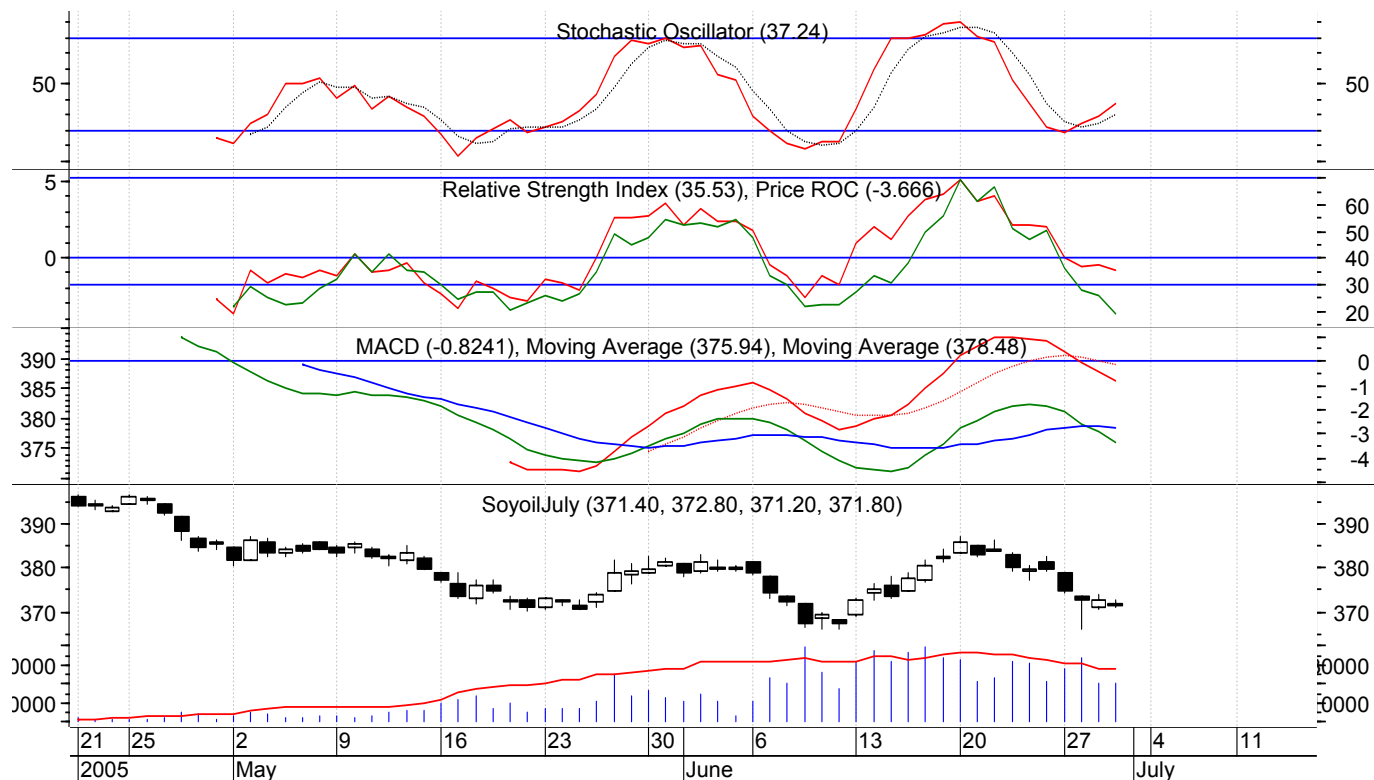
Market advice:

Market is expected to open lower but trade positive in the second half of Friday.

Short term buying would continue to yield profit.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	July '05	369.70	368.40	372.80	373.60
NCDEX	July '05	370.70	369.60	373.50	374.30



PORT-WATCH (Latest)

'Acushnet' has berthed at Kakinada Port and continues to discharge 6,000 MT of SBO. The port is expecting 'Ocean Ace', 'Countess', 'Spring Wind', 'Monalisa' and 'Mega Crown' to deliver 6,000 MT, 4,000 MT, 6,000 MT, 6,000 MT and 2,000 MT of CPO respectively.

Delivery of 6,100 MT of CPO is continuing at Kolkata Port from the vessel 'Ocean Ace'. The vessel is being handled by Atlantic agents.

Kandla Port is expecting 'Siren' from Brazil to deliver 9,500 MT of SBO. Forbes Gokak agents is handling the vessel.

New Mangalore Port is expecting 'Vernal Grace' to discharge 3,000 MT of CPO.

'Pacific Sound' is expected at Mumbai Port to discharge 9,750 MT of palm oil. The vessel will be handled by Interocean agents.

Mundra Port is expecting 'Kuldiga' to deliver 18,000 MT of SBO. Interocean agents will be handling the vessel.

Cochin Port is expecting 'Golden Jane' to discharge 3,000 MT of CPO. James Mackintosh agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Siren	9500	SBO	Expected
Cochin	Golden Jane	3000	CPO	Expected
Kolkata	Ocean Ace	6100	CPO	Arrived
Mumbai	Pacific Sound	9750	Palm oil	Expected
Mundra	Kuldiga	18000	SBO	Expected
Kakinada	Acushnet	6000	SBO	Arrived
	Ocean Ace	6000	CPO	Expected
	Countess	4000	CPO	Expected
	Spring wind	6000	CPO	Expected
	Monalisa	6000	CPO	Expected
	Mega Crown	2000	CPO	Expected
New Mangalore	Vernal Grace	3000	CPO	Expected

Forex Rates

(As on 30.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.51
Malaysia	Ringgit	11.48
European Union	Euro	52.68
United Kingdom	GBP	78.75
Japan	100 Yen	39.51

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