

VEGOIL

22nd June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soybean Oil Showed Firmness
- Uncertainty in Monsoon Forecast
- CBOT: Soy Futures Modestly Lower

* Latest Weather Report (20.06.05)

MARKET HIGHLIGHTS & ANALYSIS

International:

CBOT (US Soybean Oil):

Soybean futures on the Chicago Board of Trade ended modestly lower on Tuesday, after a volatile two-sided trading as the market made some corrections after Monday's price surge. Soy product futures ended lower, following the same two-sided movement of soybeans.

July soybeans ended 3 3/4 cents lower at \$7.35 1/4 a bushel, November soybeans ended 4 1/2 cents lower at \$7.53, July soymeal settled \$0.80 lower at \$231.60 a short ton, and July soyoil ended 14 points lower at 25.44 cents a pound. July oil share ended at 35.45%, and the July crush finished at 54 cents.

The continued uncertain weather forecasts for the 2005 crop kept a mixed tone in the market, with profit-taking pressure and speculative buying creating a mixed trend in the market. The market settled lower after it reached an overbought condition and the most active November futures had a nine-day Relative Strength Index of 85.41. Weather continued to be the driver of the market, with fears of heat and dryness in the eastern corn belt cutting down yields.

CBOT Soy oil futures as 21 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	25.58	25.40	25.75	25.32	-0.14	25.44
Aug '05	25.68	25.43	25.84	25.40	-0.12	25.56
Sep '05	25.77	25.55	25.92	25.48	-0.09	25.68

CBOT remains closed on Saturday and Sunday.

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended slightly higher Wednesday as the market continued to track gains in soyoil futures, though it remained well within recent ranges. The benchmark September CPO contract ended at MYR1,433 a metric ton, up MYR11 from Tuesday.

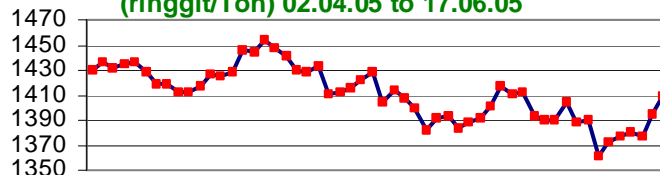
The contract, however, was confined to a narrow trading range of MYR1,431 to MYR1,442. Soyoil futures were lower overnight on the Chicago Board of Trade but were sharply higher in electronic trading. July soyoil was last traded 51 points higher in screen trading. The rise fueled expectations that soyoil prices would rally on the CBOT, prompting some speculative buying interest in the CPO futures market. A lack of strong consumer buying interest also suggests that the market's upside is limited in the near term. RBD palmolein for July/August/September and October/November/December deliveries were last offered at \$407.50/ton, unchanged from Tuesday. Trades were reported for July and October/November/December at the same price. June/July CPO, locally delivered, was offered at MYR1,445/ton, up MYR5 from Tuesday.

Weather conditions in India would also be an increasingly important factor for edible oil prices in coming weeks as the country's sowing season gets underway. As India is heavily dependent on moisture from rains for its crops, any weather problems would have a significant impact on the country's oilseeds output. Lower oilseeds output would require India to buy more imported oils, which would, in turn, be positive for Malaysian and Indonesian palm oil prices.

KLCE CPO Futures (22.06.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Jul '05	1423	1440	1443	1437	16	1439	579
Aug '05	1422	1438	1441	1431	9	1431	856

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



Domestic:

Palm oil

The domestic palm oil market traded firmly without any significant change in the market.

The Malaysian market today ended higher as the market continued to track gains in soyoil futures, though it remained well within recent ranges.

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 for the week, the market is expected to receive support from the uncertain monsoon conditions.

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

Centres	22.06.05	21.06.05	Change
Kandla CPO (5 % FFA)	329	329	0
Mumbai CPO (5% FFA)	-	-	-
Kandla RBD Palmolein	354	356	-2
Mumbai RBD Palmolein	368	368	0
Chennai RBD Palmolein	369	369	0
Kakinada RBD Palmolein	369	369	0

Soy oil

The domestic market opened firm at the futures and traded sharply positive 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 bullishness is still prevailing in the market continues in the market following various contradicting statements regarding the progress of the monsoon in India.

The domestic future market trading started on a firm 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 383.6 (up by Rs. 1.6).

The Hazir market today also remained weak marginally and remained range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 347 per 10 kg. CNF prices for soy degum (June Shipment) at Kandla were quoted at \$ 524 per tonne.

However, the market is expected to remain firm 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	22.06.05	21.06.05	Change
Mumbai (Soy ref)	363	365	-2
Indore (Soy Ref oil)	372	375	-3
Indore (Soy Solvent Ex. oil)	452	452	0
Kota (Soy Ref. Oil)	374	374	0
Jaipur (Soy Ref. Oil)	371	372	-1

NBOT Soy oil futures as on 22.06.2005 (Rs/10 kg)

Months	Previous Closing	Open	High	Low	Change	Close	Volume
Jul'05	382.0	385.0	385.4	383.6	1.6	383.6	36860
Aug'05	385.0	389.0	389.3	388.0	3	388.0	650

Sep'05	00	N.A	N.A	N.A	0	N.A	N.A
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NCDEX Soy oil futures as on 21.06.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume
Jul '05	385.95	385.00	385.00	382.50	382.95	21270
Aug '05	388.75	387.00	388.00	385.60	385.90	24490
Sep '05	385.25	389.00	389.55	387.65	387.85	1970

Rape oil

A rape oil market showed mixed sentiments amidst 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.

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

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

Centres	22.06.05	21.06.05	Change
Mumbai (Rape Expeller Oil)	390	392	-2
Kota (Rape Expeller Oil)	370	370	0
Jaipur (Rape Expeller Oil)	378	378	0
Neewai (* Kacchi Ghani Rape Oil)	390	389	+1
Delhi (Rape Expeller Oil)	396	395	+1

Groundnut oil

Groundnut oil slide down at various centres due to low local demand but it is getting support from the 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 range-bound weak trade in groundnut oil prices in the domestic markets is likely to remain for a day or two.

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

Centres	22.06.05	21.06.05	Change
Mumbai	467	470	-3
Rajkot	482	488	-6
Andhra Region	493	496	-3
Chennai	498	498	0

LATEST WEATHER WATCH (20.06.2005)

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 **384.10**, slightly above the yesterday's close level. Market opened firm and trade traded range bound with marginal weak undertone on limited support from the International markets.

The **7-day MA** is moving up above the **14-day MA** making a bullish crossover supporting the continuous strength in trend. Currently the MACD is also supporting the continued bullish sentiments in the markets.

The **9-days Price ROC** is increasing in the positive region to the level of **+4.517**, indicating gaining strength in the prices. The **9-day RSI** also moving up slightly in the neutral region to a level of **63.80** showing the marginal strength in the markets.

The **% K-line** moving down from the overbought region indicating the loosing strength of the prices. The **% D-Line** also started looking down in the overbought region indicating the weak sentiments in the prices.

The **candlestick** pattern is hinting at the firm opening and range bound trade for Thursday.

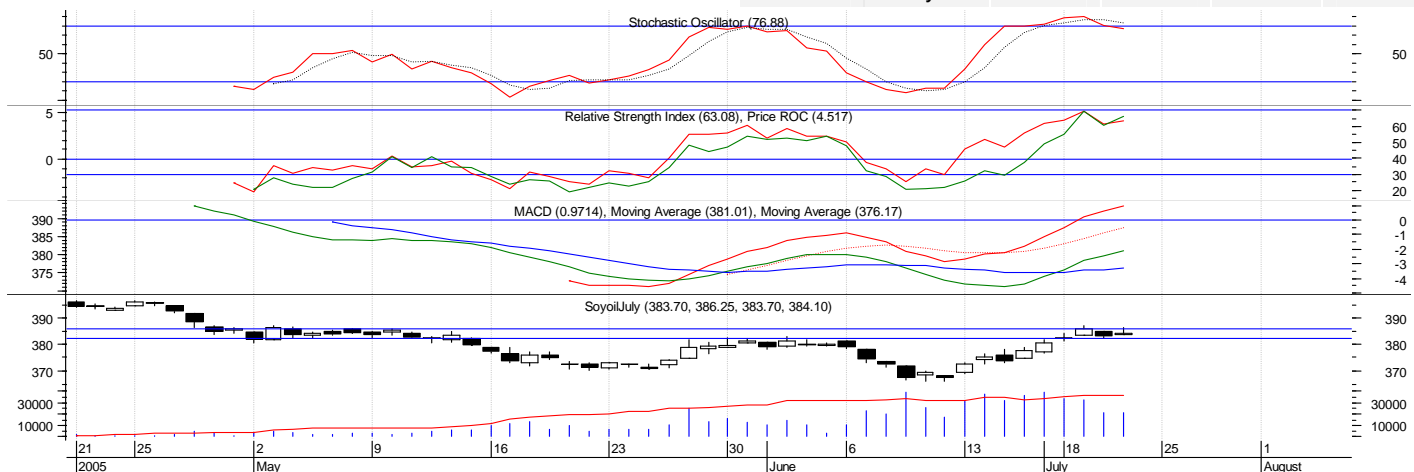
Market advice:

Market is expected to open firm and trade range bound for Thursday.

Short term selling would yield profit

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	July '05	381.50	380.50	385.00	386.20
NCDEX	July '05	382.30	381.40	386.00	387.00



PORT-WATCH (Latest)

'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.

'Spring Glory' has berthed at Cochin Port and continues to discharge 4,000 MT of palm oil. St.John agents is handling the vessel. The port is expecting 'Vernal Grace' to deliver 3,000 MT of palm oil. Pearl Shipping agents will be 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.

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.

JN Port is expecting 'Marine Pioneer' and 'Siren' to discharge 10,000 MT of CPO and 30,000 MT of SBO respectively. Current vessels Positions:

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Ginga Hawk	13937	CPO	Expected
	Bow Fraternity	5000	CPO	Expected
Cochin	Spring Glory	4000	Palm oil	Arrived
	Vernal Grace	3000	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
Kakinada	Ace I	6000	CPO	Expected
	Acushnet	6000	SBO	Expected
Kolkata	Ocean Ace	6000	CPO	Expected
JN	Marine Pioneer	10,000	CPO	Expected
	Siren	30,000	SBO	Expected

Forex Rates

(As on 22.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.50
Malaysia	Ringgit	11.47
European Union	Euro	53.01
United Kingdom	GBP	79.58
Japan	100 Yen	40.11

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