

VEGOIL

6th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Future Marginally Up on Increased Support From Us Markets
- Soybean Oil Continued Lower on Declining Retail Support

* Medium range weather prediction over the country for the period 6-11 June 2005

MARKET HIGHLIGHTS & ANALYSIS

International:

CBOT (US Soybean Oil):

CBOT Exchange remained closed on regular weekend holiday. It will reopen on Monday evening (06.06.05).

CBOT Soy oil futures as 03 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	22.93	22.82	23.16	22.82	0.02	22.95
Aug '05	22.98	23.01	23.26	22.98	0.08	23.06
Sep '05	23.11	23.13	23.38	23.08	0.06	23.17

CBOT remains closed on **Saturday** and **Sunday**.

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended slightly higher Monday, buoyed by a strong rally in soyoil.

South American soyoil is still offered at deep discounts to the CBOT soyoil, which is a negative factor for the palm oil.

Traders said they expect more gains ahead for soyoil futures traded on the Chicago Board of Trade, along with a rally of the whole soy-complex there.

The U.S. market always rallies during the planting season because of various weather concerns that may cut crop yield there.

Most traders expect Malaysian production in May to around 1.3 million tons, from 1.25 million in April.

The market still awaits fresh data with slow and range-bound trading in palm oil prices expected to continue in this week.

In the Malaysian cash market, trading was sluggish as buyers hesitated after sellers raised prices due to the CPO futures gains.

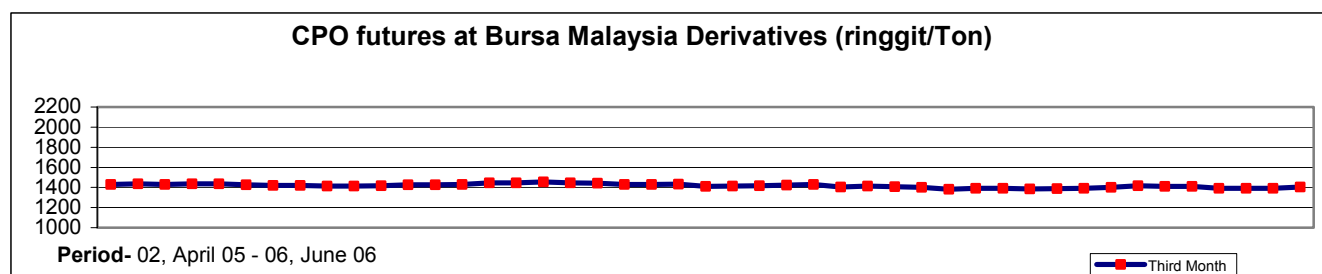
The market is thus, expected to be range bound amidst declining support from the global export demand and the increased pressure of palm oil production.

Malaysian Crude Palm Oil Futures 06 June 2005

(In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Jun '05	1392	1402	1405	1402	13	1405	49
Jul '05	1391	1401	1406	1400	15	1406	255
Aug '05	1391	1398	1408	1398	14	1405	1775

[*1 lot=25 ton]



Domestic:

Palm oil

The domestic palm oil market continued range bound on the higher side amidst increased support from the international market in spite of the lack of demand at the retail end.

The indecisive support from the international markets is responsible for unsteady prices in the domestic markets. The Malaysian market today improved marginally by MYR

15 ringgit finding support from the US soybean market in the screen trade.

The import quantum has grown marginally. In the month of June (till 06.06.05) the country has imported about 0.33 lakh tonnes of palm oil.

CNF prices of CPO (June) were quoted at \$ 367.5 per tonnes and RBD Palmolein at \$ 397.5 per tonne.

The price for palm oil in the market is expected to continue range bound on the lower side for Tuesday (slight improvement cannot be denied in the first half of the trade), as the market is not expected to receive much support from the Malaysian KLCE market.

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

Centres	06.06.05	04.05.05	Change
Kandla CPO (5 % FFA)	326	326	0
Mumbai CPO (5% FFA)	328	327	+1
Kandla RBD Palmolein	352	350	+2
Mumbai RBD Palmolein	362	361	+1
Chennai RBD Palmolein	360	358	+2
Kakinada RBD Palmolein	360	359	+1

Soy oil

The movement in the domestic market continued further on the lower side amidst growing uncertainty in the buyer's support.

The US market is expected to trade unsteady, in spite of the expected positive support for the opening trade of today evening amidst increased uncertainty in weather conditions and declining the export demand from the global market.

The domestic future market trading started on a steady note but continued on the lower side for the day amidst declining support from the retail demand. The NBOT

exchange showed unsteady movement in the prices and finally closed at a lower level of 374.10 (Down by Rs. 0.20).

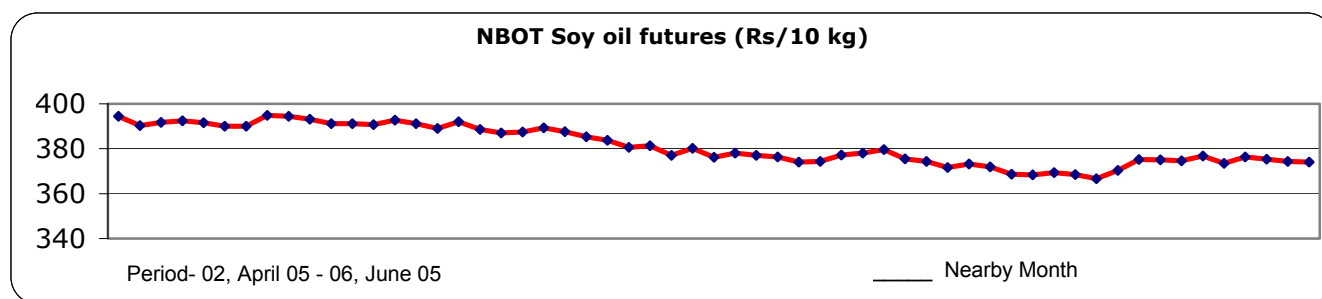
The Hazir market today continued range bound on the lower side amidst continued lack of support from the consistently declining retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 341 per 10 kg. Soy refine at Kandla/ Mundra was quoted at Rs 374 per 10 kg. CNF prices for soy degum (June Shipment) at Kandla were quoted at \$ 512 per tonne.

Overall the market demand situation for the soybean oil continues to be highly uncertain and is expected to continue range bound on the positive side for Tuesday amidst declining support from the retail market.

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

Centres	06.06.05	04.05.05	Change
Mumbai (Soy ref)	360	359	+1
Indore (Soy Ref oil)	374	374	0
Indore (Soy Solvent Ex. oil)	350	350	0
Kota (Soy Ref. Oil)	368	370	-2
Jaipur (Soy Ref. Oil)	369	370	-1



NBOT Soy oil futures as on 06.06.2005 (Rs/10 kg)

Months	Previous Closing	Open	High	Low	Change	Close	Volume
Jun '05	374.30	374.20	374.70	373.50	-0.20	374.10	18520
Jul '05	378.60	378.50	378.60	377.50	-0.50	378.10	5910
Aug '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 04.06.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jun '05	376.75	376.50	377.60	375.90	376.40	9440	27840
Jul '05	379.90	379.70	380.70	379.40	379.90	3650	31860
Aug '05	382.75	382.75	383.35	381.90	382.25	2010	7150

Rape oil

The slightly weak tone of the market was noticed today amidst increased uncertainty in the retail end demand.

Adding to the weakness in the prices the increasing arrival in the major producing states of Rajasthan and MP owing to renewed purchasing by NAFED.

The news that NAFED is expected to bring the purchases Mustard seed in the market directly for sale also ushered weakness in the market.

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

Centres	06.06.05	04.05.05	Change
Mumbai (Rape Expeller Oil)	378	380	-2
Kota (Rape Expeller Oil)	358	361	-3
Jaipur (Rape Expeller Oil)	359	360	-1
Neewai (* Kacchi Ghani Rape Oil)	370	372	-2
Delhi (Rape Expeller Oil)	383	385	-2

Today, the rape oil found no support from the buyers at major exchanges. The selling activities weakened giving rise to the indecisive sentiments. This provided marginal support to the rape oil prices.

Today the new crop arrival reached 1.00 lakh bags in Rajasthan and about 0.30 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape oil will trade range bound on lower side for Tuesday due increased uncertainty in the retail demand.

Groundnut oil

Groundnut oil continued with the weakness in the major centres. Lower buying support continued at major markets amidst declining retail demand.

The onset the monsoon in the Kerala region has increased the uncertainty in demand for edible oils and this remains

as one of the major factors, which is putting continuous pressure on the groundnut oil prices.

The range-bound nature of the groundnut oil prices in the domestic markets is likely to continue on Tuesday in absence of fresh buying support.

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

Centres	06.06.05	04.05.05	Change
Mumbai	359	360	-1
Rajkot	448	348	0
Andhra Region	388	389	-1
Chennai	390	390	0

LATEST WEATHER WATCH (06.06.2005)

Medium range weather prediction over the country for the period 6-11 June 2005

Based on NCMRWF's model product following is the weather prediction over different parts of country.

A. Weather Systems:

Southwest Monsoon

The South-West Monsoon has advanced into Kerala and some parts of south Arabian Sea and some more parts of SW Bay of Bengal on 5th June, 2005. Model prediction suggests that the monsoon activity is likely to continue over south Peninsular India (Kerala, south interior and coastal Karnataka) and enhance over NE states during next 4-5 days.

An East-west shear zone at the middle troposphere levels runs from central Bay of Bengal to SE Arabian Sea. Model prediction indicates progressive northward march of this zone during next 4-5 days. This may cause progress of monsoon over some more areas of peninsula.

Model predictions suggest that conditions are favourable for progress of Southwest monsoon over some parts of coastal Karnataka, parts of South Interior Karnataka, some more parts of Tamil Nadu, southern parts of North-eastern states during next 3-4 days.

Western Disturbance

A western Disturbance lies over J&K and adjoining areas. It is likely to move in an north-eastward direction. Under its influence, hilly regions of NW India are likely to receive isolated to scattered snowfall/rainfall and plains of NW India may receive isolated dust storm / thundershowers during next 2 days.

Model prediction suggests that another western disturbance is likely to approach north Pakistan and adjoining J&K area by 11th June 2005.

B. Rainfall:

Fairly widespread to widespread rainfall is likely over Kerala, Coastal & South Interior Karnataka, and NE States during next 4-5 days.

Isolated to Scattered rainfall/snowfall is likely over J&K, H.P. and Uttranchal during 24-48 Hrs and then during 11-12 June 2005.

Isolated to Scattered rainfall is likely over Konkan and Goa, West Bengal, Orissa, Coastal A.P., Tamil Nadu, Rayalaseema, North Interior Karnataka during next 4-5 days and isolated thundershowers may occur over plains of NW India (North Rajasthan, Haryana, Punjab, West U.P.) during next 48 Hrs.

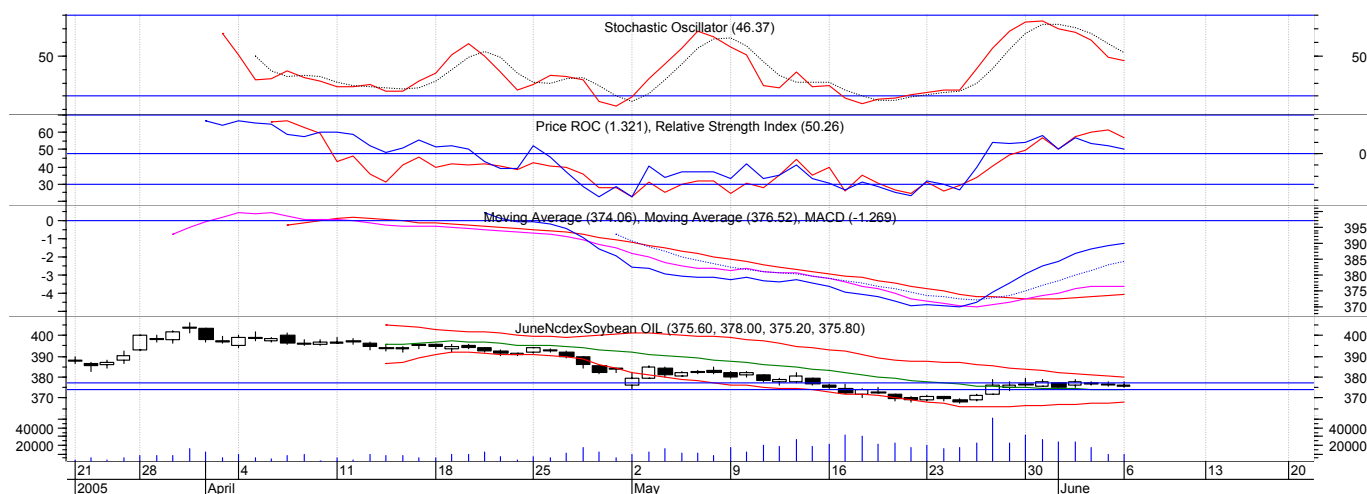
C. Temperature

Heat Wave conditions over North and central India may improve during next 3 days.

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term NCDEX JUNE Contract



The June contract closed at **375.60**, which is lower than the yesterday's close. Market opened partially weak but and traded range bound amidst some indecisive buying support.

The **7-day MA** turned lower indicating the weakness in the prices, whereas the **14-day MA** continued in the upper direction showing the strength in the prices. The **9-Day MACD** continued in the upward direction indicating the steady sentiment in the market.

The **9-days Price ROC** is looking down and in the neutral region to the level of **+1.321**, indicating weakness in the prices. The **9-day RSI** also moved slightly lower in the neutral region to a level of **50.26** indicating the unsteady sentiments in the markets.

The **% K-line** continued down in the neutral region indicating the declining strength of the prices. The **% D-Line** also moved lower in the neutral region indicating the growing weakness in the prices.

The **candlestick** pattern is hinting at the positive opening and lower trade for Tuesday.

Market advice:

Market is expected to open steady but trade range bound on the lower side for the day

Avoid new entry in the market with long-term outlook

Short-term entry can be made by selling.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	June '05	372.80	371.40	375.30	376.20
NCDEX	June '05	374.70	373.80	376.60	377.50

PORT-WATCH (Latest)

'Ace I' has berthed at Kolkata Port and continues to deliver 5,990 MT of CPO. GAC is handling the vessel.

Delivery of 8,500 MT of palm oil is continuing at Mumbai Port from the vessel 'African Future'. The cargo was loaded from Malaysia. 'Chemstar Ace' from Dumai has berthed at Mumbai Port is receiving and continues to deliver 7,339 MT of palm oil. 'Pacific Sound' is discharging 9,000 MT of palm oil at the port. Interocean agents is handling these vessels. Interocean agents will be handling these vessels.

Kandla Port is receiving 8,500 MT of CPO from the vessel 'Viscaya'. The cargo was loaded from Indonesia. Interocean agents is handling the vessel. The port is expecting following vessels to deliver edible oil. These vessels are 'Chemstar Ace' (8,740 MT of CPO from Dumai) and 'Acushnat' (27,500 MT of SBO from Brazil).

Delivery of 3,000 MT of palm oil is expected at Chennai Port from the vessel 'Vernal Grace'. James Mackintosh will be handling the vessel. The port is expecting 'Monalisa' to deliver 3,700 MT of CPO. The vessel will be handled by Unicorn agents.

Kakinada Port is expecting 'Global Venus' and 'Countess' to deliver 6,000 MT and 5,000 MT of CPO respectively.

'Marine Pioneer' and 'Mount Blanc' are expected at JN Port to deliver 10,000 MT of CPO each.

Tuticorin Port is receiving 4,750 MT of palm oil from the vessel 'Spring Glory'. St. John agents is handling the vessel.

Current vessels Positions:

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Ace I	5990	CPO	Arrived
Kandla	Viscava	8500	CPO	Arrived
	Achusnat	27500	SBO	Expected
	Chemstar Ace	8740	CPO	Expected
Mumbai	Chemstar Ace	7339	Palm oil	Arrived
	Pacific Sound	9000	Palm oil	Arrived
	African Future	8500	Palm oil	Arrived
JN	Marine Pioneer	10000	CPO	Expected
	Mount Blanc	10000	CPO	Expected
Tuticorin	Spring Glory	4750	Palm oil	Expected
Kakinada	Global Venus	6000	CPO	Expected
	Countess	5000	CPO	Expected
Chennai	Vernal Grace	3000	Palm oil	Expected
	Monalisa	3700	CPO	Expected

Forex Rates**(As on 06.06.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.60
Malaysia	Ringgit	11.51
European Union	Euro	53.37
United Kingdom	GBP	79.16
Japan	100 Yen	40.57

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