

VEGOIL

18th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Declined Marginally Amidst Growing Uncertainty in Global Market
- Soybean Oil Prices Traded Range Bound on Indecisive International Support

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX August Contract

The August contract closed at 386.30, which is marginally higher than yesterday's close. Market opened range bound, traded marginally higher for most of the day but declined towards the end of the day amidst increased uncertainty in the international market and declining buyers' support. The retail market is still not supporting the futures market adequately.

The 7-day MA continued higher hinting to the existing in market prices. The 14-day MA also continued upward indicating the continuing strength in the current price trends.

Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line period(s) ago. Since the MACD crossed its moving average, Aug soy oil's price has increased 0.61% and has ranged from a high of 387.45 to a low of 383.30.

The 9-days Price ROC declined further entering the negative region to the level of +1.060 pointing upward, indicating rising strength in the market prices. The 9-day RSI also moved up in the neutral region to a level of 62.22 confirming the continuing strength in the prices.

The % K-line turned lower in the overbought region indicating the possible change in the sentiments in near days while the

% D-Line, which is still in the neutral region, continued up hinting to the existing strength. Today the % K-line has made a bearish crossover of the % D-line hinting to the weak market for tomorrow.

The candlestick is indicating at the steady to weak opening and range bound trade for Tuesday.

Market advice:

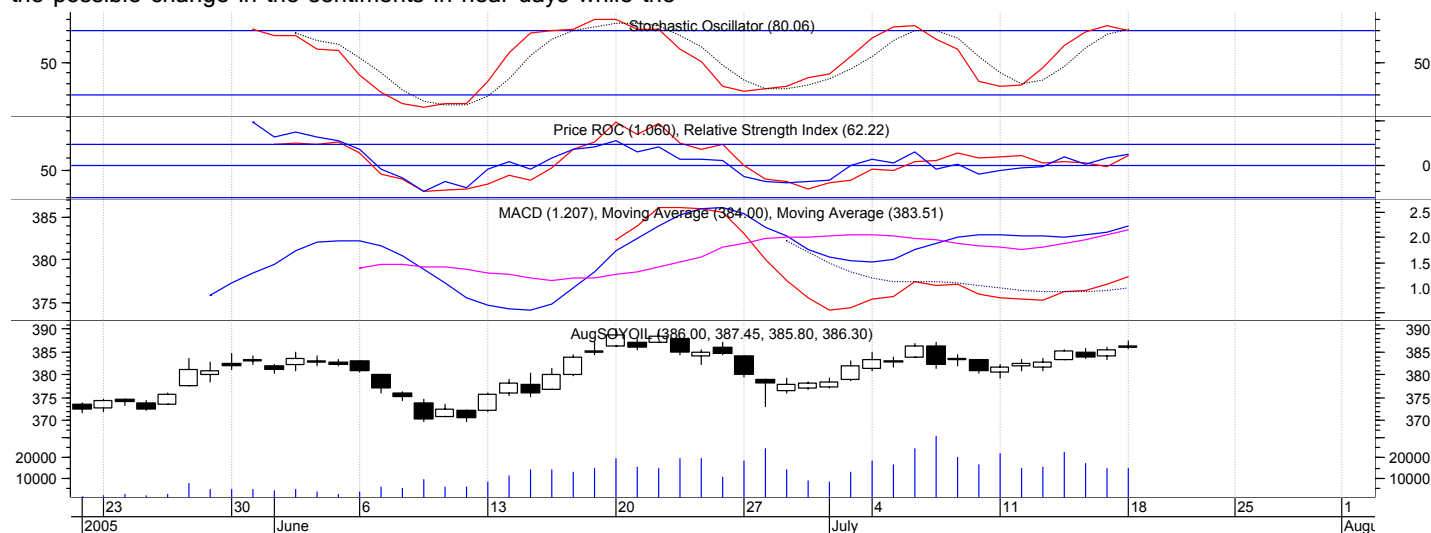
Market is expected to open marginally weak but trade range bound on Tuesday amidst pressure of uncertain international markets and low retail demand.

Carefully see the opening before indulging in intra-day trade.

Long-term sentiments continue to be bullish.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Aug' '05	383.80	382.60	386.90	387.80
NCDEX	Aug' '05	384.90	383.70	388.00	389.50



MARKET HIGHLIGHTS & FUNDAMENTAL ANALYSIS

International:

CBOT (US Soybean Oil):

CBOT remained closed during the weekend holiday. Market will reopen on Monday's evening (18.07.05).

CBOT Soy oil futures as 15 July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	25.50	26.00	26.08	25.41	-0.02	25.48
Aug'05	25.59	26.02	26.15	25.50	+0.03	25.62
Sep'05	25.65	26.15	26.23	25.60	0.00	25.65

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

South American Soybean Market trend at CBOT remained closed during the weekend holiday. Market will reopen on Monday's evening (18.07.05).

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended marginally lower Monday, in a continuation of the range-bound trading seen most of last week.

CPO futures inched up in the morning session, tracking gains in Chicago soyoil futures, but the gains couldn't be sustained amid thin buying interest in a sluggish afternoon session.

Trading is expected to continue slow as the market looks for fresh leads, with the next set of Malaysian palm oil production numbers not due until early August.

The July 1-20 palm oil export data, expected to come out Wednesday, are also not likely to have an impact on the market, as the market has built in lower exports into current prices.

Friday, cargo surveyor Intertek Agri Services estimated July 1-15 palm oil exports at 498,491 tons, down 22% on month. SGS (Malaysia) Bhd, another surveyor, reported July 1-15 exports even lower, at 488,066 tons, down 27% on month.

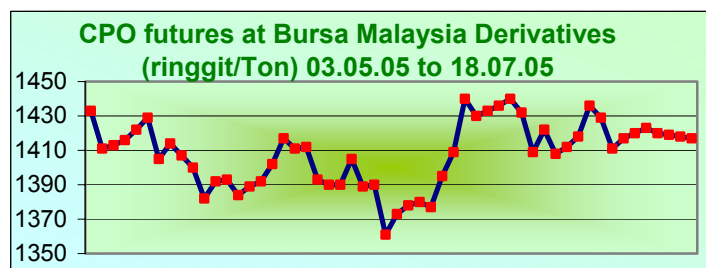
Longer-term direction is still unclear, as weather conditions in the U.S. continue to be volatile, leading to fluctuations in soy complex prices. The soybean crop is currently in the key growing season, with the extent of the eventual output dependent on the amount of rains.

Trading activity in the cash palm oil market was also muted amid the absence of some regional buyers. Markets in Japan were closed for a national holiday, and Taiwan was shut because of a typhoon. Most traders stayed on the sidelines and only a few are trading according to their estimates of what would happen to soyoil in Chicago overnight.

The Malaysian market is expected to continue range bound on the lower side on Tuesday amidst declining exports prospects and uncertain sentiments in the US soybean market.

KLCE CPO Futures (18.07.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Aug '05	1418	1422	1422	1413	-3	1415	139
Sep '05	1418	1423	1423	1413	-3	1415	655
Oct '05	1419	1424	1424	1413	-2	1417	1074



Domestic:

Palm oil

The domestic palm oil market improved amidst uncertain international support and steady retail demand.

The Malaysian markets today traded range bound on the lower side amidst lack of concrete trading directions from the US Soybean market. The Malaysian market is at present weak amidst pressure of the rising end stock and declining export opportunities. In the absence of support from the export figures, which shows over 20 per cent decline from the last month, the Malaysian trade is not expected to support the domestic sentiments in a big way resulting the continuing range bound trade in the domestic markets.

The import quantum has increased almost gradually. In the month of July (till 18.07.05) the country has imported about 1.40 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 367.50 per tonnes and RBD Palmolein at \$ 400.00 per tonne.

The price for palm oil in the market is expected to continue range bound on Tuesday with marginal decline as the market is expected to get no support from the other edible oils.

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

Centres	18.07.05	16.07.05	Change
Kandla CPO (5 % FFA)	331	330	+1
Mumbai CPO (5% FFA)	331	331	0
Kandla RBD Palmolein	362	360	+2
Mumbai RBD Palmolein	371	369	+2
Chennai RBD Palmolein	368	365	+3
Kakinada RBD Palmolein	368	367	+1

Soy oil

The domestic market opened range bound but continued upward for the day amidst increased buyer's support and absence of clear indications from the international markets.

The international CBOT market was closed on regular weekend holiday. As per NOPA, the US crush report is more than the expected quantum, which is expected to impart slight bearishness in the market. The long-term prospect in the US market is still expected to be bullish as the warm weather is predicted in the coming week. At the time of closure the NBOT august Contract was at Rs. 385.40 (Up by Rs. 0.90) and the September contract ended at Rs. 389.30 (Up by Rs. 0.40).

The Hazir market continued range bound in the positive region amidst marginal strength in the futures market.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 343 per 10 kg. CNF prices for soy degum (July Shipment) at Kandla were quoted at \$ 519 per tonne.

The market is expected to open steady for Tuesday but trade range bound on the lower side as the day progresses amidst widespread uncertainty in the international markets.

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

Centres	18.07.05	16.07.05	Change
Mumbai (Soy ref)	366	364	+2
Indore (Soy Ref oil)	378	375	+3
Indore (Soy Solvent Ex. oil)	357	354	+3
Kota (Soy Ref. Oil)	384	383	+1
Jaipur (Soy Ref. Oil)	387	385	+2

NBOT Soy oil futures as on 18.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Aug'05	384.50	386.00	386.40	385.10	0.90	385.40	21850
Sep'05	388.90	389.50	390.00	389.10	0.40	389.30	640
Oct '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 16.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jul'05	375.95	376.50	377.25	375.40	376.65	3040	13470
Aug'05	383.95	384.20	386.10	383.30	385.50	14540	33650
Sep'05	387.85	387.70	389.95	387.20	389.30	8190	29120

Rape oil

The rape oil market today improved marginally at the futures amidst increased support from the buyers, though it declined towards the end session as the uncertainty in the buyers, support crept in.

The traders are still expressing their concern over the declining supply in the retail market. The regular miller's demand is keeping the market tight.

The policy of the NAFED regarding the mustard seed sale is not yet clear. As per the trade sources, the NAFED is expected to open sell tenders on daily basis, in order to dispose the extra purchased lots of mustard seeds.

the unsteady progress of sowing of other oilseed crops and declining weather in major growing areas helped the prices to improve. In the spot markets the prices moved slightly ahead on amidst increasing demand.

Today the new crop arrival reached 0.25-0.30 lakh bags in Rajasthan.

The rape oil market is expected to continue trading range bound for Tuesday (marginally on the lower side) as the buyers' support is expected to be uncertain.

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

Centres	18.07.05	16.07.05	Change
Mumbai (Rape Expeller Oil)	400	398	+2
Kota (Rape Expeller Oil)	392	390	+2
Jaipur (Rape Expeller Oil)	397	395	+2
Neewai (* Kacchi Ghani Rape Oil)	408	405	+3
Delhi (Rape Expeller Oil)	420	418	+2

Groundnut oil

Groundnut oil today traded range bound at various centres. In the southern markets the prices increased marginally amidst stable demand while the demand in the western markets is still indecisive and is based on the progress on the monsoon and the ongoing sowing process, which has turned very unsteady.

The Gujarat market lowered marginally amidst continuing uncertainty in demand while the Hyderabad and Chennai market witnessed significant improvement in the same.

The progress of the current monsoon is still the main cause of the increase in the prices, which is hindering the smooth sowing of the new crop.

Apart from the uncertain and slow sowing progress, the import of the other competitive edible oil is also not in large amount, imparting increased pressure on the domestic groundnut prices.

The domestic market is expected to continue trading range bound on Tuesday amidst continuing uncertainty and delay in the sowing of the new crop.

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

Centres	18.07.05	16.07.05	Change
Mumbai	485	485	0
Rajkot	525	526	-1
Andhra Region	525	520	+5
Chennai	520	518	+2

LATEST WEATHER WATCH (18.07.2005)

Progress of Monsoon

Yesterday's upper air cyclonic circulation over north interior Karnataka and neighbourhood now lies over Telangana & neighbourhood and extends between 1.5 & 4.5 km above sea level tilting southwestwards with height. The other upper air cyclonic circulation over west Uttar Pradesh and neighbourhood persists and extends upto 0.9 km above sea level. The upper air cyclonic circulation over Punjab and neighbourhood now lies over central Pakistan and adjoining northwest Rajasthan and extends upto 1.5 km above sea level. The axis of the monsoon trough at sea level passes through Ganganagar, Delhi, Lucknow, Gaya and thence Tejpur of Assam.

Forecast for next 24 hours

North: Rain/thundershowers likely at many places over Uttaranchal and west Uttar Pradesh; at a few places in the east Uttar Pradesh and isolated in the rest region.

East: Rain/thundershowers likely at many places over northeastern states and sub-himalayan West Bengal & Sikkim and at a few places in the rest of the region outside Chhattisgarh, Jharkhand, gangetic West Bengal and Orissa where it may be at isolated places.

South: Rain/thundershowers likely at a many places in coastal Karnataka and Kerala; at a few places in interior Karnataka and isolated in the rest region.

West: Rain/thundershowers likely at many places over Konkan & Goa, east Rajasthan and west Madhya Pradesh; at a few places in the rest region outside west Rajasthan, Gujarat state, Vidarbha and Marathwada where it may be isolated. Further decrease in rainfall over west Madhya Pradesh and east Rajasthan by 20th July.

Outlook for subsequent two days

Ongoing rainfall activity over northeastern states and sub-himalayan West Bengal & Sikkim is likely to continue. Ongoing rainfall activity over peninsula India is likely to continue and extends further to central India.

Warning

Heavy to very heavy rainfall likely at a few places over sub-himalayan West Bengal & Sikkim and northeastern states. Isolated heavy rainfall also likely over Uttaranchal, west Uttar Pradesh and coastal Karnataka.

Agricultural Activities

Light rainfall has been recorded in isolated areas in most of districts of Rayalaseema region. In north costal zone of Andhra Pradesh moderate rainfall has been recorded during the last week. In Anantapur, Kurnool and Kadapa crop condition is good under irrigated dry conditions. Groundnut crop experiences moisture stress in Anantapur and Chittoor districts, wherever sowing was already done during last week of June. Crop condition is satisfactory in north costal zone of Andhra Pradesh due to receipt of moderate rains during the week.

The districts, in eastern parts of state, Sahebganj, Godda, Pakur, Deoghar, Dumka, parts of Dhanbad, Ranchi received rainfall of 100-140 mm during 1-12 July. On 13th July also widespread rainfall occurred in the state. Cropping operations are in full swing in these districts. In upland and medium lands crops like upland paddy, urd, maize and groundnut are sown.

PORT-WATCH (Latest)

Delivery of 12,000 MT of SBO is continuing at Kandla Port from the vessel 'Aditi'. The cargo was loaded from Brazil. Kandla Port is receiving 12,000 MT of SBO from the vessel 'EW Hasting'. The cargo was loaded from Brazil. Delivery of 4,000 MT of CPO is continuing at the port from the vessel 'Star Dream'. The cargo was loaded from Dumai. Interocean agents is handling these vessels. 'Zhong Hua 6' from Indonesia is expected at the port to discharge 5,850 MT of CPO. Atlantic agents will be handling the vessel. 'Commuter' from Brazil is expected at the port to discharge 16,500 MT of SBO. Interocean agents will be handling the vessel. The port is expecting 'Zhing Hua 6' from Indonesia to deliver 5,850 MT of CPO. Atlantic agents will be handling the vessel.

Mumbai Port is receiving 6,400 MT of palm oil from the vessel 'Thressa II'. Interocean agents is handling the vessel. The port is receiving 6,200 MT of palm oil from the vessel 'Star Dream'. The cargo was loaded from Dumai. Interocean agents is handling the vessel. 'Zhong Hua 6' from Indonesia has berthed at Mumbai Port and continues to discharge 5,000 MT of CPO. Atlantic agents is handling the vessel. Delivery of 7,000 MT of CPO is expected at the port from the vessel 'Global Themis'. The vessel will be handled by Forbes Gokak afents.

Kolkata Port is receiving 5,800 MT of CPO from the vessel 'Vernal Grace'. The port is also receiving 19,174 MT of SBO from the vessel 'Kuldiga'. Seaport agents is handling these vessels.

'Ace I' has berthed at Kakinada Port and continues to discharge 6,000 MT of CPO.

Delivery of 4,000 MT of CPO is continuing at JN Port from the vessel 'Global Venus'. Patvolk agents is handling the vessel. 'Bow Maastad has berthed at JN Port and continues to deliver 13,000 MT of SBO. Intra Trade agents is handling the vessel.

Delivery of 6,000 MT of palm oil is expected at Chennai Port from the vessel 'Ace I'. The vessel will be handled by Seaport agents.

Mundra Port is expecting 'Red Point' to deliver 27,000 MT of SBO. The vessel will be handled by Interocean agents.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Aditi	12000	SBO	Arrived
	EW Hasting	12000	SBO	Arrived
	Zhong Hua 6	5850	CPO	Expected
	Star Dream	4000	CPO	Arrived
	Commuter	16500	SBO	Expected
	Zhing Hua 6	5850	CPO	Expected
Kolkata	Vernal Grace	5800	CPO	Arrived
	Kildiga	19174	SBO	Arrived
JN	Bow Maastad	13000	SBO	Arrived
	Global Venus	4000	CPO	Arrived
Mumbai	Zhong Hua 6	5000	CPO	Arrived
	Thressa II	6400	Palm oil	Arrived
	Star Dream	6200	Palm oil	Arrived
	Global Themis	7000	CPO	Expected
Chennai	Ace I	6000	Palm oil	Arrived
Mundra	Red Point	27000	SBO	Expected
Kakinada	Ace I	6000	CPO	Arrived

Forex Rates

(As on 18.07.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.54
Malaysia	Ringgit	11.47
European Union	Euro	52.56
United Kingdom	GBP	76.39
Japan	100 Yen	38.86

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