

VEGOIL

11th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Improved Marginally On Lower Production Estimates by MPOB
- Soybean Oil Recovered Towards the End of the Day Amidst Increased Buyers Support

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX JULY Contract

The July contract closed at 375.00, which is marginally higher than yesterday's close. Market opened weak and traded lower for most of the day but recovered marginally towards the end of the day amidst increased buying. The retail market did not supported by the futures market adequately.

The 7-day MA today continued lower after making a bearish cross over of the 14-Day MA hinting to the declining strength in the market prices in the market along with the 14-day MA which also continued down indicating the weakness in the current price trends.

Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 1 period(s) ago. Since the MACD crossed its moving average, Soyoil July's price has increased 0.25% and has ranged from a high of 375.70 to a low of 372.35.

The 9-days Price ROC improved marginally in the positive region to the level of 0.6847, indicating growing grip in the market prices. The 9-day RSI also improved marginally in the

neutral region to a level of 46.35 confirming the steadiness in the prices.

The % K-line continued down in the neutral region indicating the weakened sentiments in the prices. The % D-Line also continued lower in the neutral region supporting the weakness in the market prices.

The candlestick is indicating at the firm opening for Tuesday.

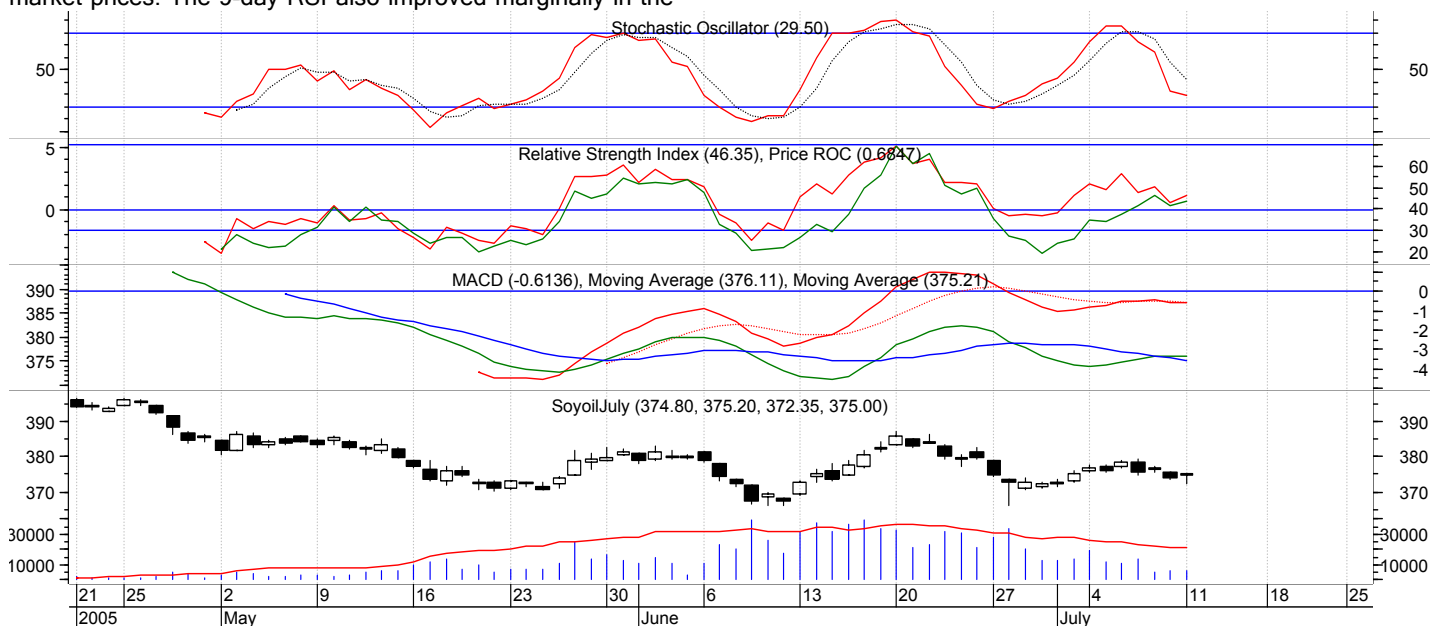
Market advice:

Market is expected to open steady but trade range bound on the higher side on Tuesday.

Go long with short as well as long term outlook.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	July '05	368.90	367.40	371.90	372.80
NCDEX	July '05	373.90	372.50	376.50	377.50



MARKET HIGHLIGHTS & FUNDAMENTAL ANALYSIS

International:

CBOT (US Soybean Oil):

CBOT remained closed during the weekend holiday. Market will reopen on Monday's evening (11.07.05).

CBOT Soy oil futures as 08 July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	25.15	24.92	24.92	24.40	-0.60	24.55
Aug'05	25.19	24.90	24.93	24.45	-0.56	24.63
Sep'05	25.34	24.98	25.03	24.50	-0.58	24.76

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 (11.07.05).

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended marginally higher Monday after a choppy session, with a series of supply and demand data failing to provide any fresh leads. CPO futures drifted lower in the morning session, under pressure from declines in soyoil futures on the Chicago Board of Trade Friday and weaker-than-expected export figures.

Traders expressed that July 1-10 palm oil export estimates from cargo surveyors and the MPOB's crop report had opposing influences on the market, leaving participants confused about the longer-term price direction.

The MPOB reported June palm oil exports at 1.17 million tons, down 12% from May. It also reported a 7.1% on-month decline in production to 1.21 million tons in June while stocks fell 8.6% to 1.18 million tons. The declines in production and stocks were steeper than expected.

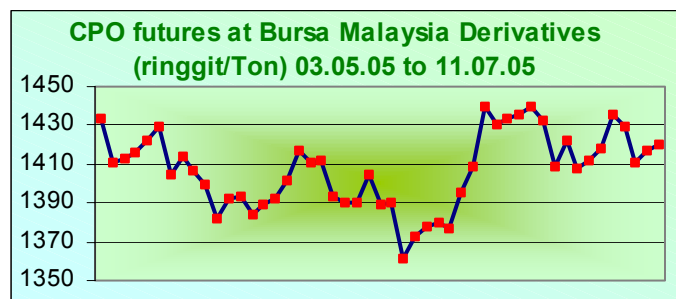
Cargo surveyor Intertek Agri Services estimated Malaysian palm oil exports in the first 10 days of July at 333992 tons, down 27% on month. Another surveyor SGS (Malaysia) Bhd. pegged July 1-10 exports at 330050 tons, also down 27% on month. The estimates were considered disappointing, as speculation had been for exports of around 350000-to-380000 tons.

With palm oil production expected to recover in July, weaker exports would mean stocks could build up again by the end of the month. Traders said with the release of the supply and demand figures having come and gone with little impact on the market, participants will be turning their attention to the soybean market for leads in the coming days.

The Malaysian market is expected to continue range bound on the higher side on Tuesday amidst continuing uncertainty in the US soybean market.

KLCE CPO Futures (11.07.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Jul'05	1416	1406	1416	1406	0	1416	49
Aug'05	1417	1403	1420	1403	+2	1419	571
Sep'05	1417	1408	1421	1400	+3	1420	2121



Domestic:

Palm oil

The domestic palm oil market today traded range bound amidst lack of retail demand and indecisive international markets.

The Malaysian markets traded range bound amidst declining support from the cash market. The prices declined initially but found support from the MPOB figures of the production of palm oil for the month of June, which reported a decline of 8.6 per cent over the last month. The export figure released by the other two agencies (Cargo surveyor Intertek Agri Services and SGS (Malaysia) Bhd.) was on the lower side and was not able to support the trading sentiments. The US soybean market also was not able to provide sufficient boot to the sentiments as it is pressured by the possible rains in the major growing areas and declining exports.

The import quantum remained almost steady. In the month of July (till 08.07.05) the country has imported about 0.68 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 improvement as the market is expected to receive mild support from the Malaysian markets.

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

Centres	11.07.05	09.07.05	Change
Kandla CPO (5 % FFA)	329	329	0
Mumbai CPO (5% FFA)	330	331	-1
Kandla RBD Palmolein	356	355	+1
Mumbai RBD Palmolein	368	368	0
Chennai RBD Palmolein	367	367	0
Kakinada RBD Palmolein	365	365	0

Soy oil

The domestic market opened weak continued further lower for most of the day with mild recovery towards the end of the day amidst increasing support from the buyers. The lack of retail demand is not helping the buyers support to come up in a large way at the futures.

The concerns of the Indore Exchange to have deliveries of edible oils also lowered the market sentiments. Today the delivery of two lots of 500 tonnes each was confirmed. Another lot of 1000 tonnes was expected today, which has not yet been confirmed. If

this delivery does not take place, then it is expected to cause bullishness in the market prices.

The international market declined sharply at the CBOT amidst wide spread uncertainty in the weather caused by the Dennis Hurricane. The uncertainty in the global market also increased amidst concerns over the Chinese other Asian countries demand for US soybean, as most of the Asian demand is shifting towards Argentina and Brazil. At the time of closure the NBOT July Contract was at Rs. 370.40 (Down by Rs. 0.40).

The Hazir market traded range bound amidst increasingly uncertain sentiments at the futures and the pressure of deliveries at Indore.

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 \$ 511 per tonne.

The market is expected to open steady for Tuesday but trade higher as the day progresses.

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

Centres	11.07.05	09.07.05	Change
Mumbai (Soy ref)	362	364	-2
Indore (Soy Ref oil)	370	371	-1
Indore (Soy Solvent Ex. oil)	348	350	-2
Kota (Soy Ref. Oil)	374	377	-3
Jaipur (Soy Ref. Oil)	375	376	-1

NBOT Soy oil futures as on 11.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Jul'05	370.80	370.00	370.50	368.30	-0.40	370.40	7270
Aug'05	379.40	378.00	380.00	377.60	+0.50	379.90	14380
Sep'05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 09.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jul'05	376.60	375.70	375.70	373.50	374.05	5760	21580
Aug'05	383.45	383.20	383.20	380.25	380.95	16700	32450
Sep'05	387.25	386.00	386.50	384.50	385.20	5380	21010

Rape oil

The rape oil market today continued declining marginally amidst increased selling for the day and declining retail demand.

The traders are still expressing their concern over the declining demand in the retail market. It is assessed that they have enough stock for the coming couple of week and till they are not interested in entering the market is a big way.

Today, the rape oil found lesser support from the buyers at major exchanges growing uncertainty regarding the unsteady progress of monsoon in the starting session. In the spot markets the prices also declined marginally amidst increasing uncertainty.

Today the new crop arrival reached 0.25-0.30 lakh bags in Rajasthan and about 0.10 lakh bags in Madhya Pradesh.

The rape oil market is expected to trade on higher side for Tuesday as the buyers support is expected to improve in the near terms.

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

Centres	11.07.05	09.07.05	Change
Mumbai (Rape Expeller Oil)	392	394	-2
Kota (Rape Expeller Oil)	382	385	-3
Jaipur (Rape Expeller Oil)	388	390	-2
Neewai (*Kacchi Ghani Rape Oil)	398	400	-2
Delhi (Rape Expeller Oil)	400	403	-3

Groundnut oil

Groundnut oil today improved significantly at various centres including Gujarat owing increasing uncertainty in the other edible oil markets and declining retail support. The Gujarat market is still maintaining the high price amidst concerns of breaking of epidemic in areas already fighting the adversity of flood where effective supply line to different markets have been disrupted owing the disturbances in the road and rail transport.

The domestic demand is expected to trade range bound on the higher side in the coming days amidst growing uncertainty in the cultivation of the new crop.

The range-bound higher trade in groundnut oil prices is expected to continue for Tuesday amidst continuing uncertainty about the upcoming crop.

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

Centres	11.07.05	09.07.05	Change
Mumbai	500	478	+22
Rajkot	530	524	+6
Andhra Region	498	390	+8
Chennai	500	394	+6

LATEST WEATHER WATCH (11.07.2005)

Progress of Monsoon

Yesterday's upper air cyclonic circulation over Jharkhand and adjoining Orissa now lies over East Uttar Pradesh and adjoining north Madhya Pradesh and extends upto 4.5 km above sea level tilting southwestwards with height.

The other upper air cyclonic circulation over central Pakistan and adjoining northwest Rajasthan now lies over Punjab & adjoining Himachal Pradesh persists and extends upto 2.1 km above sea level.

The axis of the monsoon trough at sea level passes through Ganganagar, Agra, Allahabad, Daltonganj, Balasore and thence southeastwards to eastcentral Bay of Bengal.

Southwest monsoon has been vigorous over Uttaranchal and active over Arunachal Pradesh, Sub-Himalayan West Bengal & Sikkim, West Uttar Pradesh, Himachal Pradesh and East Rajasthan. Rain/thundershower occurred at many places over Coastal Karnataka, Kerala & Lakshadweep; at many places over Assam & Meghalaya, Nagaland, Mizoram, Manipur & Tripura, Chhattisgarh, Madhya Pradesh, East Uttar Pradesh and Vidarbha; at a few places over Andaman & Nicobar Islands, Gangetic West Bengal, Orissa, Bihar, Haryana, Chandigarh & Delhi, Punjab, Jammu & Kashmir, Konkan & Goa, Madhya Maharashtra, Marathwada, Andhra Pradesh and South Interior Karnataka. It was isolated over rest regions of the country outside West Rajasthan, Saurashtra, Kutch & Diu where weather was mainly dry.

Forecast Valid for Next 24 Hours

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

region. Rainfall activity likely to decrease over Punjab and Haryana and increase over east Uttar Pradesh on 13th & 14th.

East: Rain/thundershowers likely at many places over northeastern states, sub-himalayan West Bengal & Sikkim; and at a few places in the rest region. Increase in rainfall activity likely over Bihar, sub-himalayan West Bengal & Sikkim and northeastern states on 13th & 14th.

South: Rain/thundershowers likely at many places over coastal Karnataka, Kerala and Lakshadweep at a few places in the rest region outside Tamil Nadu & Pondicherry, coastal Andhra Pradesh, Rayalseema and south interior Karnataka where it may be isolated.

West: Rain/thundershowers likely at many places over Konkan & Goa and at a few places over west Madhya Pradesh, Maharashtra, east Rajasthan and isolated over the rest region.

Outlook for subsequent two days:

Rainfall activity over interior peninsula, east-central India and plains of northwest India likely to decrease further. Rainfall activity may enhance over northeastern states, Sub-Himalayan West Bengal & Sikkim, Bihar, east Uttar Pradesh and central Himalayas.

Heavy Rains Warning

Heavy to very heavy rainfall likely over northeastern states, Sub-Himalayan West Bengal & Sikkim, Uttaranchal and Himachal Pradesh. Isolated heavy rainfall also likely over Lakshadweep, Kerala and coastal Karnataka till 14th July. Isolated heavy rainfall also likely over west Uttar Pradesh during next 48 hours.

Agricultural Activities

In Rajasthan, moderate to heavy rainfall has occurred during the last week. Field preparation for kharif cultivation is in progress.

Through Andhra Pradesh received widespread rainfall of moderate to heavy intensity on 8th and 9th of this month, still 30% of mandals in 5 districts namely Prakasam, Cuddaph, Anantapur, Chittoor and Mahabubnagar have not received sufficient rainfall. As cutoff date for sowing of sorghum, pearl millet and sesame is over, farmers were advised to go for alternate crops like castor, pigeon pea, soybean and maize in their place.

PORT-WATCH (Latest)

'Sichem Melaga' has berthed at Kakinada Port and continues to discharge 7,000 MT of CPO. The port is expecting 'Ocean Ace', 'Countess' and 'Mega Crown' to deliver 6,000 MT, 4,000 MT and 2,000 MT of CPO respectively.

Delivery of 3,000 MT of palm oil is continuing at Chennai Port from the vessel 'Hua Yun 4'. The vessel is being handled by Seaport agents.

New Mangalore Port is receiving 8,000 MT of CPO from the vessel 'Global Venus'.

Kandla Port is receiving 35,500 MT of SBO from the vessel 'Champion Venture'. The cargo was loaded from Brazil. Interocean agents is handling the vessel.

Kolkata Port is receiving 6,000 MT of CPO from the vessel 'MMM Houston'. Seaport agents is handling the vessel.

'Zhong Hua 6' is expected at the port to discharge 5,000 MT of

CPO. The port is expecting 'Thressa II' and 'Star Dream' to deliver 6,400 MT and 6,200 MT of palm oil respectively. Interocean agents will be handling the vessel.

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	Champion Venture	35500	SBO	Arrived
Kolkata	MMM Houston	6000	CPO	Arrived
Mumbai	Zhong Hua 6	5000	CPO	Expected
	Thressa II	6400	Palm oil	Expected
	Star Dream	6200	Palm oil	Expected
Chennai	Hua Yun 4	3000	Palm oil	Arrived
Mundra	Red Point	27000	SBO	Expected
Kakinada	Ocean Ace	6000	CPO	Expected
	Countess	4000	CPO	Expected
	Sichem Melaga	7000	CPO	Arrived
	Mega Crown	2000	CPO	Expected
New Mangalore	Global Venus	8000	CPO	Arrived

Forex Rates

(As on 11.07.2005)

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.56
Malaysia	Ringgit	11.49
European Union	Euro	52.35
United Kingdom	GBP	75.92
Japan	100 Yen	38.91

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.