

VEGOIL

30th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Plummited Sharply on Increased Speculative Selling
- South American Soybean Continued Improving on Increased Export Prospects
- Soybean Oil Continued on the Lower Side Amidst Absence of Retail Demand

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX August Contract

The August contract closed at 374.90, which is lower than yesterday's close. Market opened weak and declined further lower amidst continuously increasing selling pressure.

The 7-day MA dipped significantly lower hinting to the weakness in market prices. The 14-day MA also moved lower confirming the declining strength 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 8 period(s) ago. Since the MACD crossed its moving average, August soy oil's price has decreased 1.78% and has ranged from a high of 384.05 to a low of 374.70.

The 9-days Price ROC today reached to the level of -2.560 pointing upward, indicating increased uncertainty in the market prices. The 9-day RSI moved down marginally in the neutral region to a level of 31.37 indicating the downward trend in the prices.

The % K-line moved further lower in the neutral region along with the % D-Line indicating declining sentiments in the prices.

The candlestick is marginally hinting at the weak opening and lower trade for Monday.

Market advice:

Market is expected to open and trade lower for Monday.

Do not make new entry in the market.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Aug' '05	371.60	370.80	373.50	374.90
NCDEX	Aug' '05	373.50	372.30	375.90	377.10

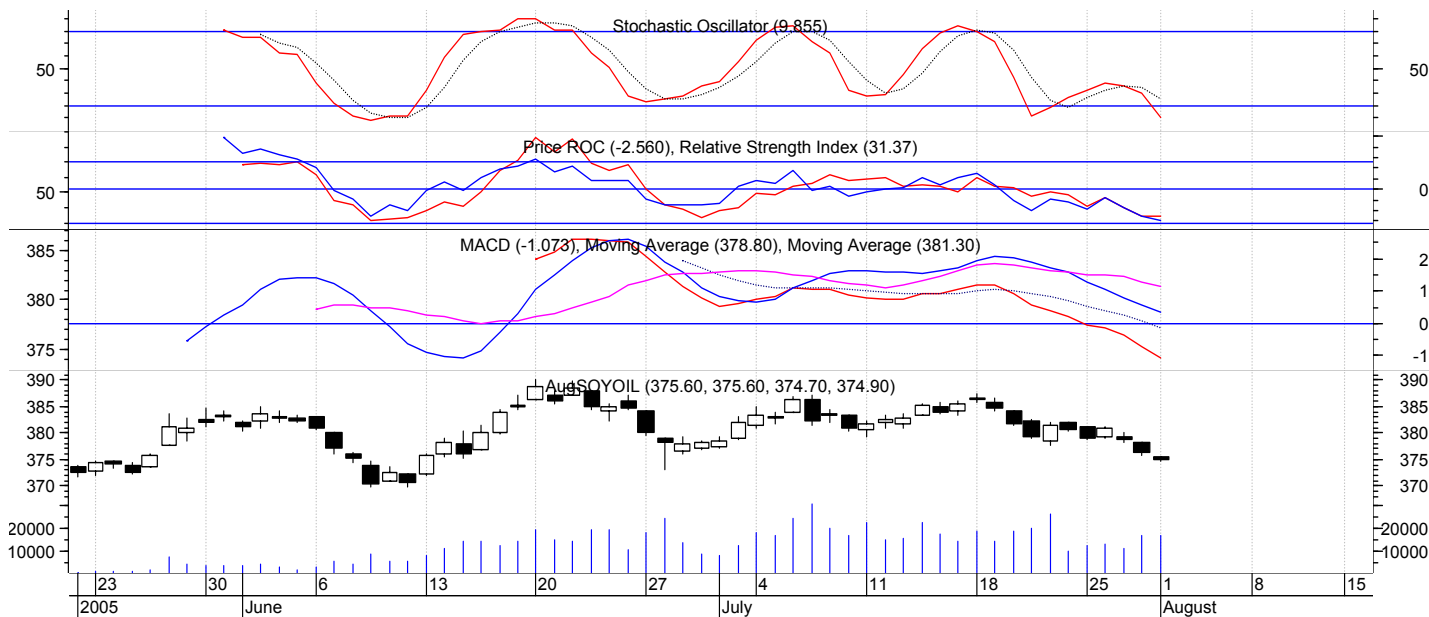
Abbreviations:

ROC - Rate of Change MA - Moving Average

MACD - Moving Average Convergence Divergence

RSI - Relative Strength Index

% K-Line & % D-Line - Faster & slower Lines of Stochastic Oscillators



MARKET HIGHLIGHTS & FUNDAMENTAL ANALYSIS

International:

CBOT (US Soybean Oil):

End-of-month book squaring coupled with less-threatening extended weather outlooks attracted speculative selling and pinned soybean futures at the Chicago Board of Trade in negative territory on Friday.

Just the hint of rain and cooler weather at the tail end of the 6-10 day outlook for the mid-west was enough to trigger speculative long liquidation and the weakness ran futures into sell-stops and encouraged end of the month liquidation selling.

Mostly dry weather with increasing temperatures into the mid-90's is expected into late next week but some models bring in rains into next weekend. Hefty deliveries added to the bearish tone with 480 soybeans and 500 oil delivered on first notice day for August contracts.

Weak technical indicators with futures struggling to find buyers above psychological resistance levels and the subsequent slide below major moving averages added to the defensive theme in the market.

However, there is a very strong indication that there will be a cool off in temperatures similar to the recent drop in temperatures in the Midwest late next week. The uncertainty involves moisture, but 70% of the Midwest should receive between three-10ths and eight-10ths of an inch late next week.

In soybean trades, Bunge Chicago bought 200 November, and Cargill and Iowa Grain each bought 300 November. On the sell side, Calyon Financial sold 700 November, Refco sold 1,000 November, Cargill Investor Services, Goldenberg Hehmyer and UBS Securities each sold 300 November, and Shatkin/Arbor sold 500 November. Commodity funds were estimated sellers of 4,000 contracts.

The US soybean is expected to continue to dwindle in a small range with no sharp movements in the coming week.

Continuation chart of CBOT (Soybean Oil)



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

Months	Previous Settle	Open	High	Low	Change	Close
Aug '05	24.50	24.53	24.53	24.20	-0.19	24.31
Sep '05	24.58	24.58	24.58	24.30	-0.25	24.33
Oct '05	24.69	24.65	24.68	24.40	-0.28	24.41

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

November South American soybeans closed 17 1/4 cents higher on the session as strong export demand and the US weather scare supported the market.

If the US soybean market determines that a weather premium is necessary for the August time frame ahead, world values could improve, but South America cash markets may ease from extra selling from producers who may have been holding out for higher prices.

On the other hand, a threat to supply in the US may also jump start a stronger demand period in Brazil, as end users extend coverage just in case crop conditions deteriorate in August. Improving crop weather is necessary for the US to avoid below normal yields and a tight ending stocks situation.

Weakness in the Brazilian real supported more active producer selling in the past week, but firm export demand supported higher basis levels in spite of the selling. End user demand is still evident in Brazil for soybeans and Argentina for the products, and the recent weather scare in the US has generated more interest.

Normal weather in August would likely boost crop conditions and improve the yield outlook, and with a large speculative net long position, a shift in the forecast to normal weather on Monday morning could leave the market in a long liquidation mode, especially after good rains and improving crop conditions this week.

While crush demand remains strong due to the higher than expected meal export market this season, export demand looks very slow.

South Korea bought 50,000 tonnes of South American meal overnight. It's a weather market, and the weather outlook into next week looks threatening. However, Monday morning should prove to be another volatility event, as the extended forecast models will dictate the market's direction from Monday night.

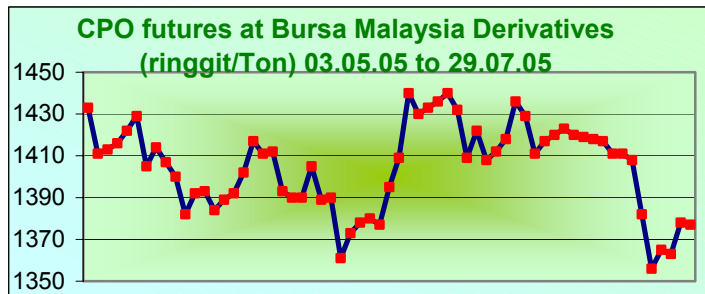
The Latin American soybean market is expected to continue in the bullish region for the long and medium term amidst growing uncertainty in crop weather of US and increasing export demand.

KLCE (Malaysian Palm Oil):

KLCE market remained closed on regular weekend holiday. It will reopen on Monday (01.08.05).

KLCE CPO Futures (29.07.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Aug '05	1368	1365	1366	1361	-7	1361	303
Sep '05	1374	1377	1377	1369	0	1374	815
Oct '05	1378	1378	1378	1371	-1	1377	1554



Domestic:

Palm oil

The domestic palm oil declined marginally amidst lack of indication from the international markets and low retail demand.

The Malaysian market did not give any indication as it was closed on weekend holiday. The steadier ringgit has helped ease the pressure on palm oil prices, but at the same time, has applied pressure on the Indian market, which is facing acute lack of demand.

This decline was further strengthened by the lack of new export potentials. The international palm oil market's weakness is adequately reflected in the domestic markets where the price is moving in a narrow range.

The import quantum has increased almost gradually. In the month of July (till 30.07.05) the country has imported about 2.39 lakh tonnes of palm oil, which is 19.25 per cent lower than last month.

CNF prices of CPO (July) were quoted at \$ 360.00 per tonne and RBD Palmolein at \$ 395.00 per tonne.

The price for palm oil in the market is expected to continue range bound on the lower side absence of support from the other edible oils and declining retail demand.

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

Centres	30.07.05	29.07.05	Change
Kandla CPO (5 % FFA)	324	326	-2
Mumbai CPO (5% FFA)	327	329	-2
Kandla RBD Palmolein	358	357	+1
Mumbai RBD Palmolein	364	365	-1
Chennai RBD Palmolein	357	358	-1
Kakinada RBD Palmolein	356	359	-3

Soy oil

The domestic market opened weak and continued significantly lower for most of the day amidst lack of support from the buyers and intense selling pressure at Indore Exchange.

The international market traded sharply lower at CBOT. The US market is expected to trade range bound in the negative territory in the coming days amidst increased pressure of increased deliveries and declining export demand. At the time of closure the NBOT august Contract lowered significantly and closed at a level of Rs. 372.40 (Down by Rs. 1.40) and the September contract ended at Rs. 377.20 (Down by Rs. 1.90).

The kharif oilseeds sowing has been overall down by 16.06 per cent (25.07.05), but the sowing of soybean has been on the increasing side. At present the crop weather is favourable for the crops, which is applying increased pressure on the market and the traders are thus indulged in increased selling pulling down the prices.

The Hazir markets continued trading range bound amidst declining support from the retail demand and sharp fall at futures.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 337 per 10 kg. CNF prices for soy degum (July Shipment) at Kandla were quoted at \$ 513 per tonne.

The market is expected to open weak and trade range bound for Monday amidst growing uncertainty in the edible oil markets and increased pressure of imports (July Month Total is 2.55 Lakh tonnes).

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

Centres	30.07.05	29.07.05	Change
Mumbai (Soy ref)	359	359	0
Indore (Soy Ref oil)	371	371	0
Indore (Soy Solvent Ex. oil)	349	350	-1
Kota (Soy Ref. Oil)	372	372	0
Jaipur (Soy Ref. Oil)	372	374	-2

NBOT Soy oil futures as on 30.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Aug'05	373.80	372.90	373.40	372.40	-1.40	372.40	10180
Sep'05	379.10	378.00	378.40	377.20	-1.90	377.20	2660
Oct '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 29.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Aug'05	378.60	378.10	378.10	375.70	376.20	16640	26820
Sep'05	382.35	382.00	382.00	379.60	380.25	14470	32140
Oct '05	384.25	383.80	383.80	380.50	382.15	4710	8700

Rape oil

The rape oil market today traded in a very narrow range in the spot as well as in the futures markets amidst consistent decline in the retail demand.

NAFED has already an open sale rate of Rs. 1700 for the markets of Rajasthan, Haryana and Punjab. But till now no trader have shown interest in taking the deliveries at such higher rates as the market prices is well below the quoted price. In the spot markets the price remained range bound on the lower side amidst lack of fresh trading initiatives from the retail traders.

Today the new crop arrival 0.10-0.15 lakh bags in Rajasthan, which is significantly low.

The rape oil market is expected to trade marginally on the higher side on Monday as the miller's support is expected to improve in the coming days.

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

Centres	30.07.05	29.07.05	Change
Mumbai (Rape Expeller Oil)	395	395	0
Kota (Rape Expeller Oil)	383	385	-2
Jaipur (Rape Expeller Oil)	385	388	-3
Neewai (* Kacchi Ghani Rape Oil)	401	402	-1
Delhi (Rape Expeller Oil)	405	410	-5

Groundnut oil

Groundnut oil traded range bound at various centres amidst significant losses at other edible oil futures.

As per the latest report, the sowing of groundnut is still down by 15.49 per cent (25.07.05) and the late sowing done for groundnut is also bound to reduce the overall production prospects.

In other edible oil markets, the price movement is providing no major support. The trade in the other edible oil markets is

declining day by day leading to further uncertainty in the prices and low retail demand.

The domestic market is expected to continue trading range bound on Monday amidst continuing support from the retail demand and declining supplies.

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

Centres	30.07.05	29.07.05	Change
Mumbai (Excluding VAT)	482	482	0
Rajkot	510	510	0
Andhra Region	520	525	-5
Chennai	522	523	-1

LATEST WEATHER WATCH (29.07.2005)

Progress of Monsoon

Yesterday's depression over northwest Bay of Bengal off Orissa coast remained practically stationary with its centre close to Balasore at 0830 hours IST of today and has further intensified into a deep depression. The system is likely to move in a west-northwesterly direction. This has caused heavy to very heavy rainfall at a few places over Orissa.

Significant amounts of rainfall (cms) received in Orissa at 0830 hrs IST of today: Chandbali-24, Cuttack-21, Bhubaneswar-15, Puri-9, Jharsuguda-8, Keonjhar-7, Paradip-7, Balasore-6.

The upper air cyclonic circulation over north Gujarat & adjoining southwest Rajasthan persists and now extends between 1.5 & 5.8 km a.s.l.

The off-shore trough now runs from Konkan & Goa to Kerala Coast.

The axis of the monsoon trough at sea level passes through Anupgarh, Aligarh, Lucknow, Daltonganj, centre of the deep depression and thence east-southeastwards.

Outlook for subsequent two days

Further increase in rainfall activity over central India and Maharashtra & Goa.

Slight increase in rainfall activity over Gangetic Plains and north peninsular India.

Subdued rainfall activity likely to continue over northeastern States.

Outlook for subsequent 72 hours

NORTH: Rain/thundershowers likely at a few places in the region.

EAST: Rain/thundershowers likely at most places over Orissa and Chhattisgarh; at many places over Gangetic West Bengal, Jharkhand and East Madhya Pradesh; at a few places in the rest region. Increase in rainfall activity over East Madhya Pradesh on 1st August.

SOUTH: Rain/thundershowers likely at many places over north Coastal Andhra Pradesh, Coastal Karnataka, Kerala and Andaman & Nicobar Islands; a few places in the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Rainfall activity likely to increase over Telangana on 1st August.

WEST: Rain/thundershowers likely at many places in Konkan & Goa, Madhya Maharashtra and Vidarbha and at a few places in the rest region. Rainfall activity likely to increase over Maharashtra & Goa, West Madhya Pradesh on 1st August.

Warning

Heavy to very heavy rainfall likely at a few places over Orissa and Chhattisgarh. Isolated heavy rainfall also likely over, Konkan & Goa, Madhya Maharashtra, Vidarbha, Coastal Karnataka, Gangetic West Bengal, Jharkhand, East Madhya Pradesh and Kerala.

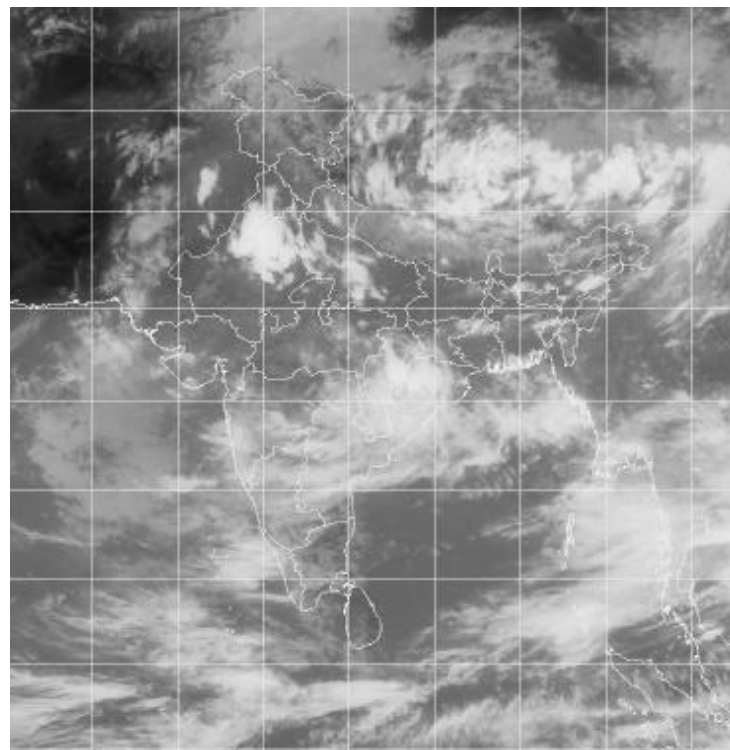
Agricultural Activities

Rainfall has occurred in West Bengal during the past few days. Coverage of transplanting of kharif rice is 30 % in the Gangetic West Bengal and 40 % in the Sub-Himalayan West Bengal. Selection of short duration varieties has been emphasized. Transplanting of kharif crop is in progress.

Maximum and minimum temperatures were above normal in Gujarat during the last week. Entire parts of north and middle Gujarat as well as some areas of south Gujarat received rains ranging from 25 mm to 175 mm but in Saurashtra and Kutch regions there is no significant rains during past few days. Kharif crops in the districts like Banaskantha and Patan of North Gujarat region experienced severe moisture stress, which caused adverse effect on the crop growth and development. In other parts of the state, crop condition is good.

Latest satellite Image of Monsoon Progress

(30.07.2005, 03.30 PM)



PORT-WATCH (Latest)

'Istana 6' has berthed at Kolkata Port and continues to deliver 4,750 MT of CPO. The vessel is being handled by GAC agents. Kolkata Port is receiving 7,200 MT of CPO from the vessel 'Global Saturn'. Forbes Gokak agents is handling the vessel. Kolkata Port is expecting 'Team Ace' to deliver 4,500 MT of CPO. The vessel will be handled by GAC agents. Delivery of 6,000 MT of CPO is expected at the port from the vessel 'Filma Satu'. Seaport agents will be handling the vessel.

Delivery of 7,000 MT of CPO is continuing at Kandla Port from the vessel 'Asia Star'. The cargo was loaded from Indonesia. Taurus agents is handling the vessel. 'Commuter' from Brazil has berthed at Kandla Port and continues to discharge 16,500 MT of SBO. Interocean agents is handling the vessel. The port is expecting 'Belsize Park' from Padang to deliver 9,500 MT of CPO. 'Golden Express' from Malaysia is expected at the port to discharge 8,000 MT of CPO. JM Baxi agents will be handling these vessels.

'MMM Galveston' has berthed at Chennai Port and continues to deliver 5,490 MT of CPO. Seaport agents is handling the vessel. Delivery of 4,000 MT of palm oil is continuing at the port from the vessel 'Tirta Niaga II'. The vessel is being handled by Unicorn agents. The port is expecting 'Chem Tank' to discharge 8,700 MT of palm oil. The vessel will be handled by Seaport agents. 'Gulf Dove' is expected at the port to deliver 6,000 MT of SBO. JM Baxi will be 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.

'Victory Ocean' is expected at Mumbai Port to discharge 9,000 MT of CPO. JM Baxi agents will be handling the vessel. The port is expecting 'Liquid Era' to discharge 5,200 MT of CPO. Atlantic agents will be handling the vessel.

Cochin Port is expecting 'Eastern Eminity' to discharge 3,000 MT of palm oil. The vessel will be handled by GAC agents.

'L Star' is expected at Kakinada Port to discharge 6,000 MT of CPO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Commuter	16500	SBO	Arrived
	Asia Star	7000	CPO	Arrived
	Belsize Park	9500	CPO	Expected
	Golden Express	8000	CPO	Expected
Cochin	Eastern Eminity	3000	Palm oil	Expected
Chennai	Ace I	6000	Palm oil	Expected
	MMM Galveston	5490	CPO	Arrived
	Tirta Niaga II	4000	Palm oil	Arrived
	Chem Tank	8700	Palm oil	Expected
	Gulf Dove	6000	SBO	Expected
JN	Bum Woo	10000	SBO	Arrived
Kolkata	Global Saturn	7200	CPO	Arrived
	Istana 6	4750	CPO	Arrived
	Team Ace	4500	CPO	Expected
	Filma Satu	6000	CPO	Expected
Mumbai	Victory Ocean	9000	CPO	Expected
	Liquid Era	5200	CPO	Expected
Kakinada	L Star	6000	CPO	Expected

Forex Rates

(As on 30.07.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.44
Malaysia	Ringgit	11.60
European Union	Euro	52.66
United Kingdom	GBP	76.36
Japan	100 Yen	38.62

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