

VEGOIL

25th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Plummeted Sharply on Bearish Export Figures
- Soybean Oil Prices Declined Significantly on Increased Selling

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX August Contract

The August contract closed at 379.20, which is marginally lower than Saturday's close. Market opened range bound but declined for the day amidst declining sentiments in the US screen trade and increased selling pressure at the domestic exchanges.

The 7-day MA continued lower hinting to the weakness in market prices. The 14-day MA also moved lower indicating 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 4 period(s) ago. Since the MACD crossed its moving average, Aug soy oil's price has decreased 0.65% and has ranged from a high of 384.05 to a low of 377.60.

The 9-days Price ROC today moved lower in the negative region to the level of -1.5450 pointing downward, indicating increased uncertainty in the market prices. The 9-day RSI also declined further in the neutral region to a level of 39.55 confirming the loosing strength in the prices.

The % K-line moved up entering the neutral region indicating improving sentiments in the prices along with the % D-Line.

The candlestick is marginally hinting at the lower opening with steady to firm trade for Tuesday.

Market advice:

Market is expected to open range bound and improve as the day progress for Tuesday.

Buy with short-term outlook.

Long-term sentiments continue to be bullish.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Aug' '05	377.20	376.40	379.50	381.40
NCDEX	Aug' '05	378.50	377.00	382.00	383.20

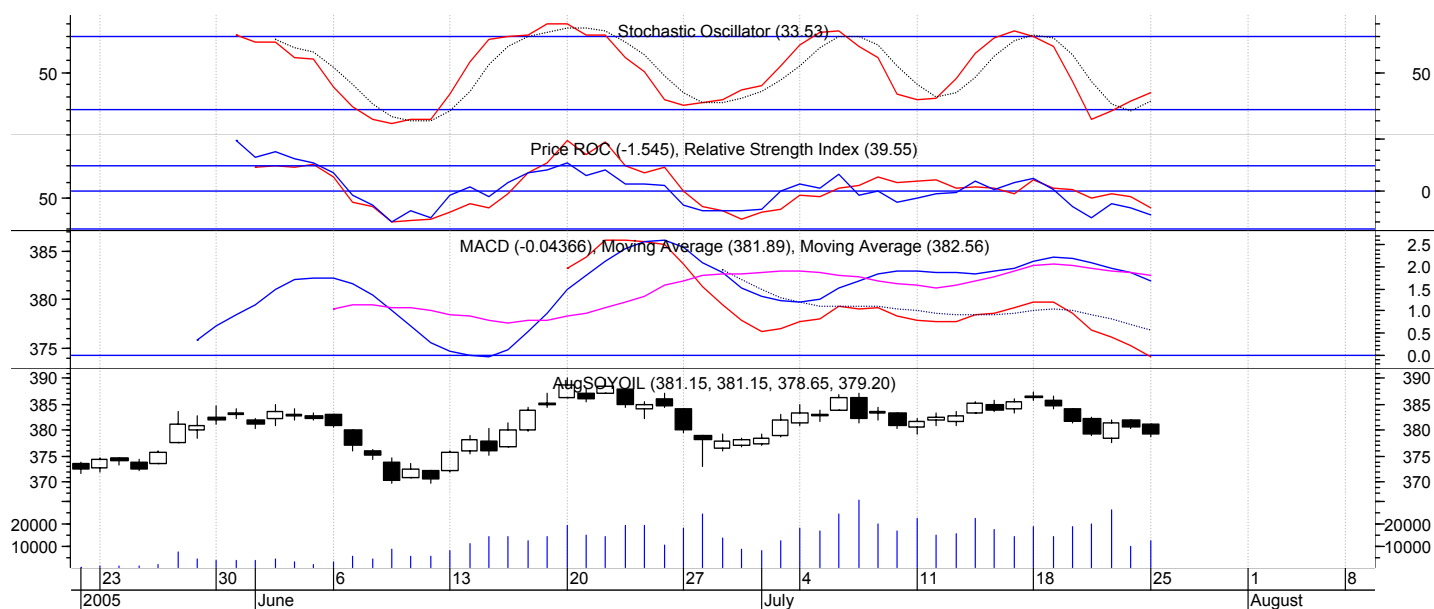
Abbreviations:

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):

CBOT remained closed during the weekend holiday. Market will reopen on Monday's evening (25.07.05).

CBOT Soy oil futures as 22 July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	24.31	24.55	24.65	24.37	+0.20	24.51
Aug'05	24.40	24.65	24.71	24.43	+0.18	24.58
Sep'05	24.44	24.75	24.77	24.46	+0.25	24.69

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 (25.07.05).

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended lower on Monday in a continuation of selling pressure triggered by the recent unpegging of the ringgit, with the benchmark contract closing at a five-month low. In a surprise announcement July 21, Malaysia abandoned its 7-year-old currency peg of 3.8/dollar to allow the ringgit to float against a wider basket of currencies, mimicking a similar move by China.

The ringgit has since been strengthening. It was last traded around 3.75/dollar, with some analysts predicting further gains ahead in the coming weeks and months. A stronger exchange rate is negative for the palm oil industry because it reduces the value of CPO in ringgit terms.

In reaction to gains in the ringgit, the CPO futures market has come under pressure from hedge and speculative selling by participants looking to minimize losses.

Bearish supply and demand data further exacerbated the market's bearish mood. The export figures aren't helping. Cargo surveyor Intertek Agri Services issued estimates Monday showing July 1-25 exports at 814,266 tons, down 23% on month. Another surveyor, SGS (Malaysia) Bhd., estimated exports at 824,241 tons, down 24% on month.

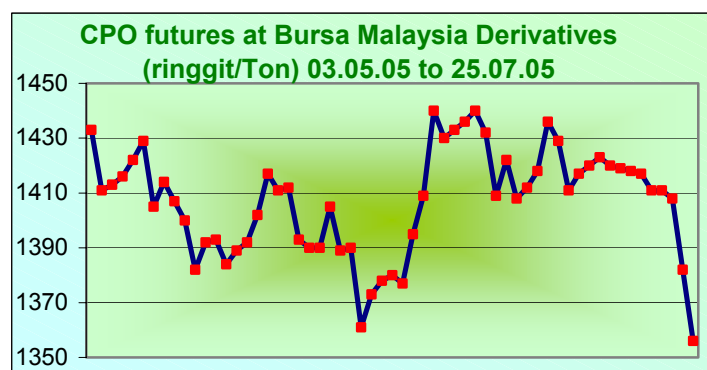
Traders expressed that lower exports could lead to a rise in stocks at end-July because production is believed to be strong. Market talk has been for a 3% to 5% rise in production from the 1.21 million tons produced in June. End-June stocks were at 1.18 million tons.

Weakness in soy complex futures in electronic trading also weighed on market sentiment Monday. August soyoil was down 8 points while December soyoil fell 30 points.

In the Malaysian cash market, palm oil products moved slightly lower. However, declines weren't as steep as in the CPO futures market since product prices are dollar-denominated. The market is thus expected to continue range bound amidst pressure increasing end stock and declining exports.

KLCE CPO Futures (25.07.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Aug '05	1380	1375	1375	1353	-25	1355	963
Sep '05	1381	1375	1375	1353	-25	1356	1785
Oct '05	1382	1379	1379	1353	-26	1356	4503



Domestic:

Palm oil

The domestic palm oil market continued range bound amidst lack of support from the international markets and continuing low retail demand.

The Malaysian markets today traded sharply lower amidst news of 24 per cent decline in the 1 -25 July Export figures. The Malaysian market is at present weak lack of concrete support from the global market. It lowered sharply as its currency was revalued and strengthened against the US dollar, which lead to the sharp fall in the palm oil prices at the Malaysian exchange (KLCE). This decline was further strengthened by the lack of new export potentials. This falling sentiment would be restrained, only if it receives significant support from the US soybean market at the CBOT screen trade. The international palm oil market's weakness s adequately reflected in the domestic markets.

The import quantum has increased almost gradually. In the month of July (till 23.07.05) the country has imported about 1.86 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 362.50 per tonnes and RBD Palmolein at \$ 395.00 per tonne.

The price for palm oil in the market is expected to continue range bound on Tuesday as the market is expected to get partial support from the other edible oils.

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

Centres	25.07.05	23.07.05	Change
Kandla CPO (5 % FFA)	328	329	-1
Mumbai CPO (5% FFA)	330	330	0
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	369	367	+2
Chennai RBD Palmolein	365	365	0
Kakinada RBD Palmolein	366	365	+1

Soy oil

The domestic market opened marginally weak and continued significantly lower for the day amidst increased selling and improving crop weather in the US.

The revaluation of Chinese currency was bound to create favourable situation for the US soybean market, but the improving prospects of good crop in the US triggered off the intense selling in the screen trade of CBOT, imparting weakness in the global edible oil markets. Continuing on the screen trading which clearly reflecting the positive the evening trade closed in the positive region providing support to the traders who were sitting bullish regarding the overall price movement. At the time of closure the

NBOT august Contract declined significantly and closed at Rs. 377.50 (Down by Rs. 2.30) and the September contract ended at Rs. 381.40 (Down by Rs. 2.60).

The Hazir market continued range bound in the positive region amidst low support from the retail demand and futures market.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 340 per 10 kg. CNF prices for soy degum (July Shipment) at Kandla were quoted at \$ 516 per tonne.

The market is expected to open lower but trade positive for Tuesday amidst expected positive support from CBOT Soybean futures at the screen trade.

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

Centres	25.07.05	23.07.05	Change
Mumbai (Soy ref)	361	362	-1
Indore (Soy Ref oil)	375	375	0
Indore (Soy Solvent Ex. oil)	356	354	+2
Kota (Soy Ref. Oil)	376	377	-1
Jaipur (Soy Ref. Oil)	378	380	-2

NBOT Soy oil futures as on 25.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Aug'05	379.80	379.60	379.90	377.50	-2.30	377.50	18220
Sep'05	384.00	N.A	381.40	N.A	-2.60	381.40	470
Oct '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 23.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Aug'05	381.45	381.90	382.00	380.25	380.60	9800	28900
Sep'05	385.10	385.35	385.95	384.15	384.35	3430	30860
Oct '05	387.20	388.00	388.00	386.35	386.60	1590	5090

Rape oil

The rape oil market today continued range bound on the lower side at the futures amidst indecisive buyers support and indecisive policy of NAFED regarding the sale of mustard in the open market.

As per the latest development NAFED is expected to come in the market with the open sale pattern. As per the trade sources the NAFED as already an open sale rate of Rs. 1680 for the markets of Rajasthan, Haryana and Punjab. But no further breakthrough has yet been achieved as the rate quoted by the NAFED official is on the hither side.

The unsteady progress of sowing of other oilseed crops and continuing dry spell in major growing areas is still holding the prices. In the spot markets the price declined marginally amidst lack of retail demand.

Today the new crop arrival reached 0.20-0.25 lakh bags in Rajasthan.

The rape oil market is expected to trade range bound on the lower side on Tuesday as the buyers' support is expected to decline further.

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

Centres	25.07.05	23.07.05	Change
Mumbai (Rape Expeller Oil)	398	395	+3
Kota (Rape Expeller Oil)	390	391	-1
Jaipur (Rape Expeller Oil)	392	394	-2
Neewai (*Kacchi Ghani Rape Oil)	405	405	0
Delhi (Rape Expeller Oil)	410	417	-7

Groundnut oil

Groundnut oil improved marginally at various centres. In all the major markets the prices remained steady as it witness no significant change in the demand.

The uncertain and slow sowing progress and increased import of the other competitive edible oil is imparting increased pressure on the domestic groundnut prices. As per the latest report, the sowing of groundnut is still down by 16 %, which is bound to reduce the overall production figures, thereby continuing the bullish trend in the prices in the coming days.

In other edible oil markets, the price movement is not in the position to provide sufficient support. The trade in the other edible oil markets is declining day by day leading to further uncertainty in the prices.

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

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

Centres	25.07.05	23.07.05	Change
Mumbai	480	478	+2
Rajkot	530	523	+7
Andhra Region	530	525	+5
Chennai	528	525	+3

LATEST WEATHER WATCH (25.07.2005)

Progress of Monsoon

Yesterday's well-marked low pressure area over Northwest Bay of Bengal off Orissa-West Bengal Coast persists. The associated upper air circulation extends upto mid-tropospheric levels tilting south-westwards with height. System is likely to intensify into a depression and move in a west-north-westerly direction.

The off-shore trough now runs from Konkan to Karnataka Coast.

The other upper air cyclonic circulation over southwest Rajasthan and neighbourhood has become less marked.

The axis of the monsoon trough at sea level passes through Ganganagar, Hissar, Agra, Rewa, Ambikapur, Balasore, centre of well marked low pressure area and thence south-eastwards to north Andaman Sea.

The cyclonic circulation over Eastern Uttar Pradesh has merged with the seasonal trough.

Outlook for subsequent two days

Increase in rainfall activity over west central India

Ongoing rainfall activity over east central India, Orissa and Andhra Pradesh is likely to continue.

Ongoing rainfall activity along West coast is likely to continue.

Subdued rainfall activity over Northeastern States of India and Sub- Himalayan West Bengal & Sikkim.

Outlook for subsequent 72 hours

NORTH: Rain/thundershowers likely at few places in Uttaranchal, Himachal Pradesh and Uttar Pradesh and at Isolated places in the rest region.

EAST: Rain/thundershowers likely at most places over South Orissa, at many places over Jharkhand, Chhattisgarh, rest Orissa and at a few places in the rest region. Increase in rainfall over East Madhya Pradesh after 26th.

SOUTH: Rain/thundershowers likely at most places over Coastal Andhra Pradesh, Coastal Karnataka, at many places over Interior Andhra Pradesh, Interior Karnataka, Kerala and Andaman & Nicobar Islands and at a few places over Lakshadweep and Tamil Nadu & Pondicherry.

WEST: Rain/thundershowers likely at most places over Konkan and Goa at many places over Madhya Maharashtra and at a few places in Marathawada and Vidarbha and isolated in the rest region.

Warning

Heavy to very Heavy rainfall likely at a few over south Orissa, North Coastal Andhra Pradesh, Konkan & Goa and Coastal Karnataka. **Isolated heavy** rainfall also likely over rest Orissa, Chhattisgarh, Madhya Maharashtra and south coastal Andhra Pradesh, Telangana.

Agricultural Activities

Moderate to heavy rainfall has occurred in Kerala during past few days. The highest rainfall (295.4 mm) has occurred at Vythri on 7th July. Virippu rice crop is in active tillering to panicle initiation stage. Crop damage has been reported in northern districts due to heavy rainfall on 10th July. The conditions of the crops like coconut, arecanut, black pepper, nutmeg, vanilla are good. Mild infestation of sheath blight on paddy, mahali on arecanut, quick wilt on black pepper, pseudo stem weevil on banana and sigatoka leaf spot on banana was observed in central zone of the state.

PORT-WATCH (Latest)

Kolkata Port is receiving 9,800 MT of SBO from the vessel 'Bow Maastad'. The cargo was loaded from Brazil. Alfa agents is handling the vessel. Kolkata Port is receiving 6,000 MT of CPO from the vessel 'MMM Jackson'. The vessel is being handled by Seaport agents. Delivery of 6,000 MT of CPO is expected at the port from the vessel 'Ocean Ace'.

'Aditi' from Brazil has berthed at JN Port and is continuing to deliver 10,000 MT of SBO. Interocean 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. Delivery of 6,500 MT of CPO is expected at Kandla Port from the vessel 'Asia Star'. The cargo was loaded from Indonesia. Taurus agents will be 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.

Delivery of 9,500 CPO is continuing at Mundra Port from the vessel 'Marine Champion'. Taurus agents is handling the vessel.

New Mangalore Port is receiving 6,000 MT of CPO from the vessel 'MMM Houston'.

Kakinada Port is expecting 'Mega Crown No.1' to deliver 2,000 MT of CPO.

'Belsize Park' from Padang is expected at Mumbai Port to discharge 9,000 MT of CPO. JM Baxi agents 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.

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

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Commuter	16500	SBO	Arrived
	Asia Star	6500	CPO	Expected
	Belsize Park	9500	CPO	Expected
	Golden Express	8000	CPO	Expected
Cochin	Eastern Eminity	3000	Palm oil	Expected
Chennai	Ace I	6000	Palm oil	Expected
JN	Aditi	10000	SBO	Arrived
Kolkata	MMM Jackson	6000	CPO	Arrived
	Ocean Ace	6000	CPO	Expected
	Bow Maastad	9800	SBO	Arrived
Mumbai	Belsize Park	9000	CPO	Expected
Mundra	Marine Champion	9500	CPO	Arrived
New Mangalore	MMM Houston	6000	CPO	Arrived
Kakinada	Mega Crown I	2000	CPO	Expected

Forex Rates

(As on 25.07.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.50
Malaysia	Ringgit	11.51
European Union	Euro	52.43
United Kingdom	GBP	75.56
Japan	100 Yen	38.95

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