

VEGOIL

05th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Future Surged Significantly Amidst Increasing Support from US Screen Trade
- Soybean Oil Declined Marginally Amidst Growing Uncertainty In Retail Demand

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX JULY Contract

The July contract closed at 376.00, which is marginally below the yesterday's close. Market opened weak and traded range bound for the day amidst declining support from the domestic buyers and absence of firm support from the international markets.

The 7-day MA today turned marginally up hinting to the steadiness in the market prices in the market whereas the 14-day MA is still hinting at 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 6 period(s) ago. Since the MACD crossed its moving average, Soyoil July's price has increased 0.93% and has ranged from a high of 377.80 to a low of 366.25.

The 9-days Price ROC declined marginally in the negative region to the level of -1.027, indicating unsteady sentiments in the market. The 9-day RSI also declined marginally in the

neutral region to a level of 49.13 confirming the unsteadiness in the prices in the prices.

The % K-line continued up entering the overbought region indicating the growing strength in the prices. The % D-Line also continued up in the neutral region supporting the rising strength in the market prices.

The candlestick is also indicating the weak sentiments in the market but the undertone in the market continues to be bullish.

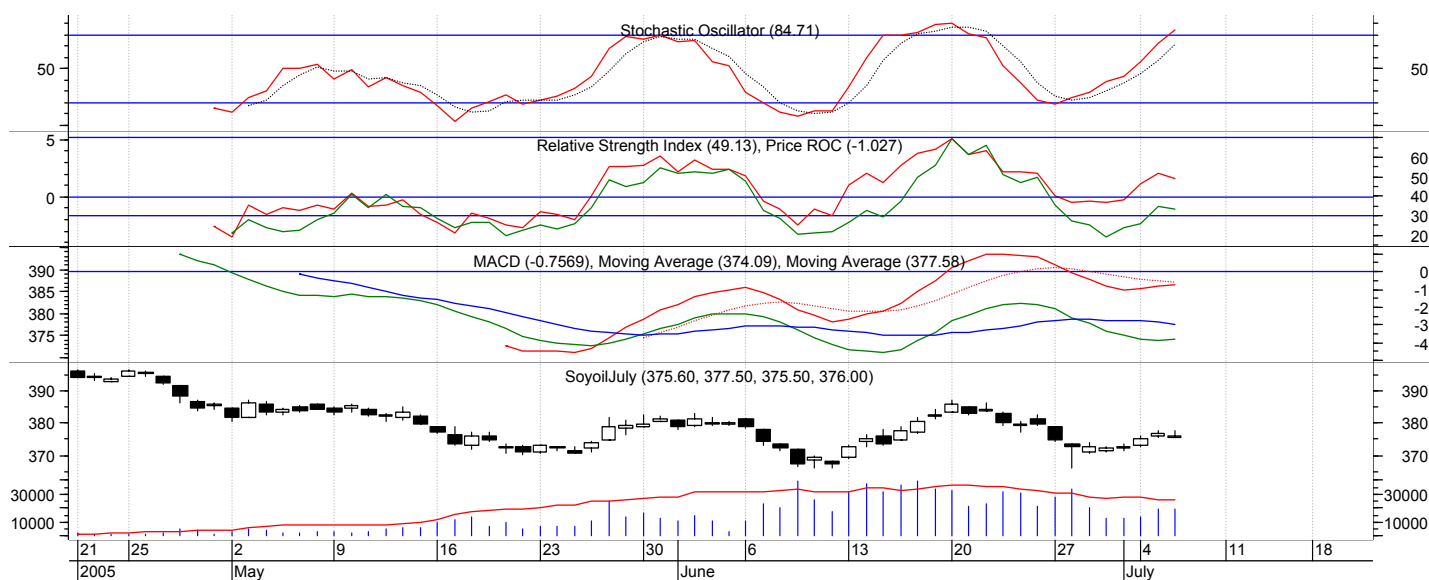
Market advice:

Market is expected to open steady and trade marginally higher for Wednesday.

Go long with long and medium term outlook.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	July '05	372.10	371.40	375.80	376.40
NCDEX	July '05	374.90	373.50	377.70	379.00



MARKET HIGHLIGHTS & FUNDAMENTAL ANALYSIS

International:

CBOT (US Soybean Oil):

CBOT remained closed during the weekend holiday. Market will reopen on Tuesday's evening (05.07.05). The market is expected to be marginally positive amidst support from screen trading.

CBOT Soy oil futures as 01 July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	23.61	23.75	24.15	23.75	+0.54	24.15
Aug'05	23.81	24.23	24.23	23.86	+0.42	24.23
Sep'05	23.99	24.35	24.40	23.99	+0.33	24.32

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 Tuesday's evening (05.07.05).). The market is expected to be marginally positive amidst support from the continuing uncertainty in the US weather.

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended higher Tuesday, boosted by speculative buying interest amid expectations U.S. soyoil futures will rise strongly when trading resumes after a one-day holiday.

Traders attributed the rise to higher soy complex futures in electronic trading. Given the absence of fresh fundamental developments within the palm oil industry, palm oil prices are likely to continue tracking the movement of soyoil prices in the near term.

With the high crude oil prices, many people are talking about biodiesel and biofuels. This should give some support to our market. The recent surge in crude oil prices to about \$60 a barrel has fueled optimism that demand for alternative energy sources such as vegetable oil-based diesel may increase in the coming months.

Still, while the palm oil market's downside may be limited, some traders said there also appears to be strong resistance at higher levels. They said it is difficult for palm oil prices to move significantly higher in the near term because of weakness in South American soyoil prices.

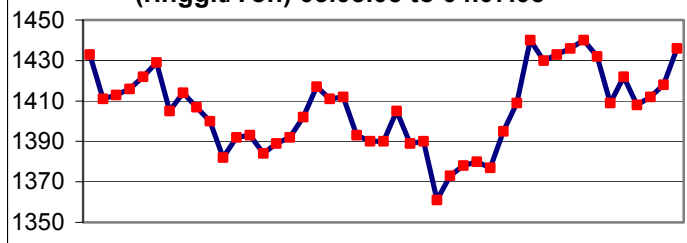
Cash soyoil in Brazil and Argentina has been lagging the uptrend in Chicago. A rise in palm oil prices, if not preceded by gains in South American soyoil prices, could make palm oil less attractive for consumers.

In the Malaysian cash market, prices of palm oil products rose in tandem with gains in the CPO futures market.

KLCE CPO Futures (05.07.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Jul'05	1418	1423	1432	1422	+14	1432	823
Aug'05	1417	1420	1435	1420	+17	1434	370
Sep'05	1418	1420	1472	1419	+18	1436	3679

CPO futures at Bursa Malaysia Derivatives (ringgit/Ton) 03.05.05 to 04.07.05



Domestic:

Palm oil

The domestic palm oil market today continued improving amidst smooth advance of monsoon and growing support in the other edible oil markets.

The Malaysian markets improved marginally amidst lack of concrete trading directions and this unsteady sentiment was adequately reflected on the domestic trade.

The import quantum has grown marginally. In the month of July (till 05.07.05) the country has imported about 0.19 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 362.50 per tonnes and RBD Palmolein at \$ 405.00 per tonne.

The price for palm oil in the market is expected to continue range bound on the positive side on Wednesday as the market is expected to receive support from the Malaysian markets.

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

Centres	05.07.05	04.07.05	Change
Kandla CPO (5 % FFA)	330	330	0
Mumbai CPO (5% FFA)	332	330	+2
Kandla RBD Palmolein	353	352	+1
Mumbai RBD Palmolein	364	363	+1
Chennai RBD Palmolein	366	366	0
Kakinada RBD Palmolein	368	367	+1

Soy oil

The domestic market opened weak and traded range bound for the day amidst uncertain sentiments in the domestic markets in spite of the positive international markets.

The international market is still supporting the up trend in the market for long run, but the status and progress of Indian monsoon is still dominating over the international indicators keeping the market under tight check in spite of the underlying bullishness. The NBOT (July Contract) exchange closed marginally lower at Rs. 373.90 (Down by Rs. 0.20).

The Hazir market improved marginally owing to the increasingly positive sentiments at the futures.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 340 per 10 kg. CNF prices for soy degum (June Shipment) at Kandla were quoted at \$ 510 per tonne.

The market is expected to open steady but trade on the higher side for Wednesday amidst expected increased support from the international market.

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

Centres	05.07.05	04.07.05	Change
Mumbai (Soy ref)	359	360	-1
Indore (Soy Ref oil)	371	370	+1
Indore (Soy Solvent Ex. oil)	351	346	+5
Kota (Soy Ref. Oil)	372	370	+2
Jaipur (Soy Ref. Oil)	375	372	+3

NBOT Soy oil futures as on 05.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Jul'05	374.10	374.00	374.20	372.70	-0.20	373.90	14670
Aug'05	381.40	380.50	381.20	379.80	-0.20	381.20	7800
Sep'05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 04.07.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jul'05	375.15	375.90	377.80	375.40	376.85	19610	25920
Aug'05	381.90	381.50	384.95	381.00	383.45	18410	30580
Sep'05	385.50	386.50	388.60	385.75	387.25	9170	12070

Rape oil

The rape oil market today traded range bound amidst partial support from the buyers at the futures and growing uncertainty in the supply.

The unsteady progress of the monsoon in the parts of Madhya Pradesh and Rajasthan is also expected to keep the prices under tremendous pressure in the coming days.

Today, the rape oil found marginal support from the buyers at major exchanges growing uncertainty regarding the unsteady progress of monsoon. In the spot markets the prices continued on the higher side amidst increased uncertainty in the supply.

Today the new crop arrival reached 0.45 lakh bags in Rajasthan and about 0.12 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape oil will continue trading on higher side for Wednesday as the retail demand is expected to be on the rise amidst uncertain progress in planting of other edible oil crops.

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

Centres	05.07.05	04.07.05	Change
Mumbai (Rape Expeller Oil)	390	389	+1
Kota (Rape Expeller Oil)	380	375	+5
Jaipur (Rape Expeller Oil)	382	377	+5
Neewai (* Kacchi Ghani Rape Oil)	392	388	+4
Delhi (Rape Expeller Oil)	396	395	+1

Groundnut oil

Groundnut oil today improved marginally at various centres owing to the declining crop prospects in lieu of the spreading floods in Gujarat. The news of the spread of floods in some parts of Madhya Pradesh also added to the bullishness in the market sentiments.

The domestic demand is expected to improve marginally in the coming days amidst growing uncertainty in the cultivation of the new crop.

As per the latest planting report the Groundnut sowing is down 63 per cent to 838,000 hectares compared to 2.3 million hectares last year. Delayed rains also held up sowing. Currently, sowing has been stopped in the groundnut growing regions of Gujarat due to flood.

The range-bound positive trade in groundnut oil prices is expected to continue for the coming days amidst growing uncertainty about the upcoming crop.

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

Centres	05.07.05	04.07.05	Change
Mumbai	472	468	+4
Rajkot	507	502	+5
Andhra Region	498	500	-2
Chennai	500	502	-2

LATEST WEATHER WATCH (05.07.2005)**Progress of Monsoon**

Yesterday's depression over north Madhya Pradesh and adjoining east Uttar Pradesh remained practically stationary with its centre at 1430 hours IST of today close to Khajuraho. The system is likely to move slowly in a northwesterly direction.

The upper air cyclonic circulation over Gujarat and neighbourhood in the middle troposphere has become less marked.

A fresh upper air cyclonic circulation has formed over Bangladesh and neighbourhood extending upto Mid Tropospheric Levels.

The upper air cyclonic circulation extending upto 0.9km a.s.l over Punjab now lies over West Uttar Pradesh and neighbourhood.

The axis of the monsoon trough at sea level passes through Ferozpur, Delhi, Agra, centre of the depression, Dhanbad, Kolkata and thence east southeastwards to North Bay of Bengal.

During past 24 hours, Southwest monsoon has been vigorous over East Madhya Pradesh and active over Gangetic West Bengal, Uttar Pradesh, Uttaranchal, Haryana, Rajasthan, West Madhya Pradesh and Gujarat region. Rain/Thundershowers occurred at most places over Nagaland, Mizoram, Manipur & Tripura, Sub-Himalayan West Bengal & Sikkim, Punjab, Coastal Karnataka and Kerala; at many places over Andaman & Nicobar Islands, Arunachal Pradesh, Assam & Meghalaya, Konkan & Goa, Madhya Maharashtra and Telangana and at a few places over Orissa, Bihar Chhattisgarh, Interior Karnataka, Lakshadweep and Coastal Andhra Pradesh. It was isolated in the rest regions of the country outside Rayalaseema where weather was mainly dry.

Forecast Valid for Next 24 Hours

Rain/thundershowers are likely at most places over Madhya Pradesh and Konkan & Goa; at many places over Andaman & Nicobar Islands, Coastal Karnataka, Punjab, Himachal Pradesh, Haryana, Uttar Pradesh, Uttaranchal, Bihar, Jharkhand, Chhattisgarh, Orissa, West Bengal & Sikkim, northeastern States, East Rajasthan, Gujarat region, Madhya Maharashtra, Marathwada, Vidarbha, Lakshadweep and Kerala. It may be at a few places over rest regions of the country outside Tamil Nadu & Pondicherry where it may be Isolated.

Outlook for subsequent two days:

Ongoing rainfall activity over central parts of the country is likely to extend to north-western parts of the country. Rainfall activity

over Gangetic West Bengal, Orissa, Jharkhand and Bihar is likely to increase.

Heavy Rains Warning

Heavy to very heavy rainfall likely at a few places over Madhya Pradesh, Isolated heavy rainfall also likely over East Rajasthan, West Uttar Pradesh, Haryana, Himachal Pradesh, Uttarakhand, Gujarat region, Konkan & Goa, Madhya Maharashtra, Gangetic West Bengal and Kerala.

Agricultural Activities

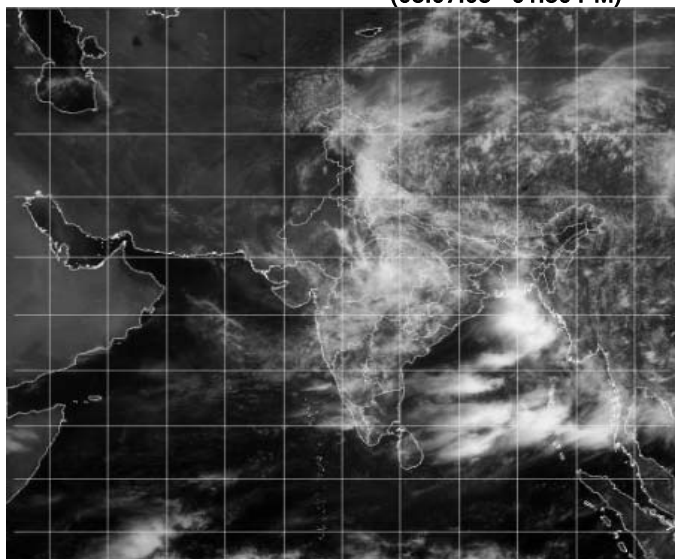
In Andhra Pradesh, the crop condition is good under irrigated dry conditions in Anantapur, Chittoor and Kurnool districts of Rayalaseema region. In north coastal zone of Andhra Pradesh, light to moderate rainfall has been received. In this region, groundnut sowings are under progress and earlier sown sesamum crop is at vegetative stage and its condition is good.

Most places in eastern Vidarbha received normal to above normal rainfall sufficient for sowing of rice nurseries. Most of districts in western and central Vidarbha received no rainfall or below normal rainfall where sowings have not been taken up and dry seeded cotton may not germinate well.

Sowing of cotton in Gujarat and Maharashtra has been progressing well after monsoon rains. Sowing is in full swing in Gujarat where almost half the plantings are over but it is hardly 10-20 percent in some other states due to less rains. About one third of plantings in Maharashtra had been completed with coastal areas getting bountiful rains, but some interior parts have not received enough rainfall, delaying the plantings

Latest Satellite Image of Monsoon Progress

(05.07.05 - 01.30 PM)



PORT-WATCH (Latest)

Mundra Port is receiving 18,000 MT of SBO from the vessel 'Kuldiga'. Interocean agents is handling the vessel.

Kandla Port is receiving 10,000 MT of SBO from the vessel 'Gulf Dove'. The cargo was loaded from Dubai. 'Champion Venture' from Brazil is expected at the port to deliver 35,500 MT of SBO. Interocean agents will be handling these vessels.

'Pacific Sound' has berthed at Mumbai Port and continues to discharge 9,750 MT of palm oil. The vessel is being handled by Interocean agents. Mumbai Port is expecting 'MMM Galvestone' to deliver 6,000 MT of CPO. Atlantic agents will be handling the vessel.

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

Delivery of 6,500 MT of SBO is continuing at Kolkata Port from the vessel 'Acushnet'. The vessel is being handled by Atlantic agents.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Gulf Dove	10000	SBO	Arrived
	Champion Venture	35500	SBO	Expected
Kolkata	Acushnet	6500	SBO	Arrived
Mumbai	MMM Galvestone	6000	CPO	Expected
	Pacific Sound	9750	Palm oil	Arrived
Mundra	Kuldiga	18000	SBO	Arrived
Kakinada	Ocean Ace	6000	CPO	Expected
	Countess	4000	CPO	Expected
	Spring wind	6000	CPO	Expected
	Monalisa	6000	CPO	Arrived
	Mega Crown	2000	CPO	Expected

Forex Rates

(As on 05.07.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.57
Malaysia	Ringgit	11.48
European Union	Euro	51.84
United Kingdom	GBP	76.45
Japan	100 Yen	38.95

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