

VEGOIL

01st August 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Lowered Significantly on Declining Monthly Export Figures
- Soybean Oil Improved Marginally Amidst Heavy Rains in Indore

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX August Contract

The August contract closed at 376.50, which is marginally higher than yesterday's close. Market opened weak but improved gradually amidst increasing buying pressure.

The 7-day MA continued 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 9 period(s) ago. Since the MACD crossed its moving average, August soy oil's price has decreased 1.36% and has ranged from a high of 384.05 to a low of 373.60.

The 9-days Price ROC today improved marginally to the level of -1.362 pointing upward, indicating the improvement in the market prices. The 9-day RSI also moved upward in the neutral region to a level of 38.06 indicating the rising trend in the prices.

The % K-line moved up in the neutral region indicating the improving price trend while the % D-Line continued lower indicating declining sentiments in the prices.

The candlestick is marginally hinting at the steady opening for Tuesday.

Market advice:

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

Buy with short term outlook.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Aug' '05	372.90	371.70	375.80	377.10
NCDEX	Aug' '05	374.80	373.50	378.00	379.20

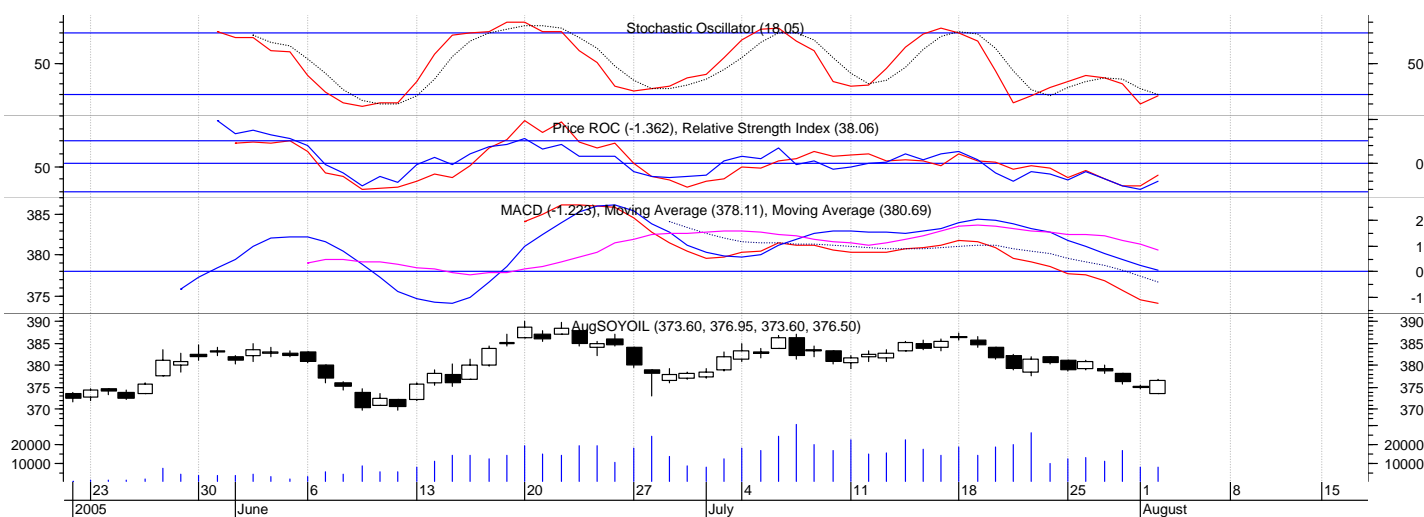
Abbreviations:

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 (01.08.05).

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

South American Soybean Market trend at CBOT remained closed during the weekend holiday. Market will reopen on Monday's evening (01.08.05).

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended slightly lower after yet another subdued trading day as continued uncertainty about the long-term direction of global edible oil prices sapped participation.

The market moved in narrow ranges, with volumes at below-average levels. Monday was no different as the benchmark October CPO contract was trapped within a tight MYR9 a metric ton band.

The Malaysian ringgit ended marginally higher Monday amid foreign bank purchases. At 0900 GMT, the dollar stood at MYR3.7500, after touching an intra-day low of MYR3.7490. The dollar ended Friday at MYR3.7502. A stronger currency hurts the value of Malaysian CPO in the local market, as the ringgit-denominated commodity is exported in dollars.

Estimates showing a drop in Malaysian palm oil exports in July had little impact on the market, as the figures were largely within expectations. Cargo surveyor Intertek Agri Services estimated July exports at 1.06 million tons, down 13.7% on month. Another surveyor, SGS (Malaysia) Bhd, pegged exports at 1.09 million tons, down 11.5% on month.

The decline in exports suggests that stocks probably rose at end-July, since production is widely believed to have been stronger. However, the excess supply situation in July has already been factored into prices, with participants now more concerned about the outlook for the rest of the year.

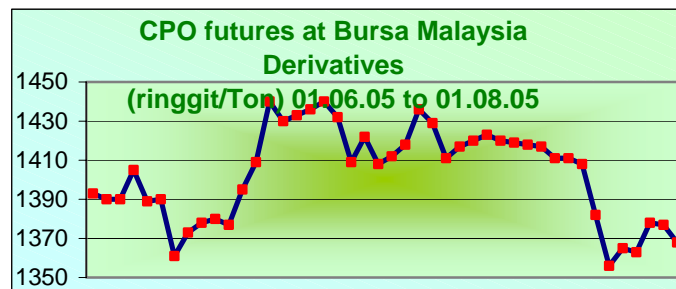
Official July production, export and stock data are due to be issued by the Malaysian Palm Oil Board Aug. 10. Traders said players are keeping a close watch on the U.S. soybean crop, as that would have an impact on the direction of palm oil prices in the longer term.

August is a crucial growing period for the soybean crop. In the Malaysian cash market, palm oil products were slightly lower, following the declines in CPO futures. But trading activity was subdued as participants remained in a cautious mood.

The market is expected to continue range bound on the positive side amidst support from the US Screen trade at CBOT on Tuesday.

KLCE CPO Futures (01.08.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Aug '05	1365	1360	1361	1357	-6	1359	31
Sep '05	1374	1369	1370	1363	-8	1366	489
Oct '05	1377	1373	1373	1365	-9	1368	1595



Domestic:

Palm oil

The domestic palm oil continued range bound amidst low retail demand.

The Malaysian market traded lower amidst declining export potential and strengthening currency. The stronger ringgit exerted pressure on palm oil prices keeping the global demand on the lower side.

This decline was further strengthened by the lack of new export potentials. The monthly export figures suggested that the export has been down by 11.50 per cent. The global 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 amidst absence of support from declining retail demand.

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

Centres	01.08.05	30.07.05	Change
Kandla CPO (5 % FFA)	324	324	0
Mumbai CPO (5% FFA)	327	327	0
Kandla RBD Palmolein	356	358	-2
Mumbai RBD Palmolein	364	364	0
Chennai RBD Palmolein	357	357	0
Kakinada RBD Palmolein	357	356	+1

Soy oil

The domestic market opened marginally weak but improved continuously through the day amidst heavy rains at Indore which forced the bears to go on the back seat and the buyers were seen consolidating their positions.

The international market is expected to trade on the lower side amidst increased deliveries pressure and lack of export demand. At the time of closure the NBOT August Contract closed

marginally higher at a level of Rs. 374.20 (Up by Rs. 1.60) and the September contract ended at Rs. 379.40 (Up by Rs. 1.80).

The sowing of Kharif soybean has been on the increasing side. But recent heavy rains in the major growing areas are expected to dampen the sentiment in the long run.

The Hazir markets continued trading range bound amidst declining support from the retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 338 per 10 kg. CNF prices for soy degum (July Shipment) at Kandla were quoted at \$ 511 per tonne.

The market is expected to open range bound and trade positive for Tuesday amidst growing support from the buyers.

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

Centres	01.08.05	30.07.05	Change
Mumbai (Soy ref)	358	359	-1
Indore (Soy Ref oil)	369	371	-2
Indore (Soy Solvent Ex. oil)	347	349	-2
Kota (Soy Ref. Oil)	373	372	+1
Jaipur (Soy Ref. Oil)	374	372	+2

NBOT Soy oil futures as on 01.08.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Aug'05	372.60	371.80	374.50	371.70	+1.60	374.20	10880
Sep'05	377.60	377.00	379.50	377.00	+1.80	379.40	2670
Oct '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

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

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Aug'05	376.20	375.35	375.60	374.70	375.00	7960	26470
Sep'05	380.25	379.50	379.55	378.65	378.95	7700	32040
Oct '05	382.15	381.00	381.45	380.75	381.05	2650	9270

Rape oil

The rape oil market today improved marginally in the spot as well as in the futures markets amidst increasing buyer's support.

Heavy rains at Indore and improving sentiments at the soybean oil futures pushed up the market.

Today the new crop arrival 0.15-0.20 lakh bags in Rajasthan, which is significantly low.

The rape oil market is expected to continue marginally on the higher side on Tuesday as the buyers' support is expected to improve further.

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

Centres	01.08.05	30.07.05	Change
Mumbai (Rape Expeller Oil)	395	395	0
Kota (Rape Expeller Oil)	384	383	+1
Jaipur (Rape Expeller Oil)	386	385	+1
Neewai (* Kacchi Ghani Rape Oil)	405	401	+4
Delhi (Rape Expeller Oil)	406	405	+1

Groundnut oil

Groundnut oil traded range bound at various centres amidst lack of significant change in the demand prospects.

Heavy rains in the major growing areas of Maharashtra and Gujarat have led to the uncertainty in the prospects of the new crop. These rains are expected to cause damage to the crop roots if water is logged in the fields for a longer duration, creating uncertainty in the overall output after less than normal sowing. The prospect of declining production is certainly going to pull up the prices in the major markets in the coming days.

In other edible oil markets, the price movement is providing no major support. The retail demand 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 Tuesday amidst continuing support from the retail demand and incidence of heavy rains in Maharashtra and Gujarat.

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

Centres	01.08.05	30.07.05	Change
Mumbai (Excluding VAT)	485	482	+3
Rajkot	520	510	+10
Andhra Region	525	520	+5
Chennai	525	522	+3

LATEST WEATHER WATCH (01.08.2005)

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

Slight increase in rainfall activity over Northwest India. Subdued rainfall activity likely to continue over Bihar and Uttar Pradesh. Increase in rainfall 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 East Madhya Pradesh; at many places over Orissa and Chhattisgarh and at isolated in the rest region. Increase in rainfall activity over Orissa after 3rd.

South: Rain/thundershowers likely at many places over Coastal Karnataka, Kerala and Andaman & Nicobar Islands; at a few places in the Telangana, interior Karnataka and at isolated in the rest region.

West: Rain/thundershowers likely at most places in Konkan & Goa, Madhya Maharashtra, Marathawada, Gujarat state and West Madhya Pradesh; at many places over Vidarbha and south Rajasthan and at a few places in the rest region.

Warning

Heavy to very heavy rainfall likely at a few places over Konkan & Goa, Madhya Maharashtra, Marathawada, Gujarat state and West Madhya Pradesh. Isolated heavy rainfall also likely over Coastal Karnataka, Vidarbha, South Rajasthan and East Madhya Pradesh.

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.

Heavy rainfall occurred in south-east and southern parts of Rajasthan during past few days. All the kharif crops are performing satisfactorily. Mild infestation of Tikka on groundnut was observed southern parts of Rajasthan.

PORT-WATCH (Latest)

Delivery of 9,500 MT of CPO is continuing at Kandla Port from the vessel 'Belsize Park'. The cargo was loaded from Padang. JM Baxi 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. 'Golden Express' from Malaysia is expected at the port to discharge 8,000 MT of CPO. JM Baxi agents will be handling the vessel.

Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'Filma Satu'. Seaport agents is handling the vessel. '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 expecting 'Team Ace' to deliver 4,500 MT of CPO. The vessel will be handled by GAC agents.

Chennai 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. Mumbai Port is receiving 5,200 MT of CPO from the vessel 'Liquid Era'. Atlantic agents is handling the vessel.

Cochin Port is expecting 'Eastern Emimity' 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
	Belsize Park	9500	CPO	Arrived
	Golden Express	8000	CPO	Expected
Cochin	Eastern Emimity	3000	Palm oil	Expected
Chennai	Ace I	6000	Palm oil	Expected
	Chem Tank	8700	Palm oil	Expected
	Gulf Dove	6000	SBO	Expected
JN	Bum Woo	10000	SBO	Arrived
Kolkata	Istana 6	4750	CPO	Arrived
	Team Ace	4500	CPO	Expected
	Filma Satu	6000	CPO	Arrived
Mumbai	Victory Ocean	9000	CPO	Expected
	Liquid Era	5200	CPO	Arrived
Kakinada	L Star	6000	CPO	Expected

Forex Rates

(As on 01.08.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.45
Malaysia	Ringgit	11.58
European Union	Euro	52.87
United Kingdom	GBP	76.48
Japan	100 Yen	38.70

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