

VEGOIL

20th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Lowered Significantly on Increased Speculative Selling
- South American Soybean Lowered Marginally Amidst Improving Crop Weather in US
- Soybean Oil Prices Improved Significantly Amidst Increased Buyers Support

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX September Contract

The September contract closed at 369.20, which is notably higher than yesterday's close. Market opened range bound but continued higher toward the end of the trade amidst increased buyers demand.

The 7-day MA continued sharply downward hinting to the increasing weakness in market prices along with the 14-day MA.

Currently the MACD is marginally bullish and is moving up indicating the rising strength in the market.

The 9-days Price ROC improved significantly to -0.7660 (pointing upward) indicating the improving trend in the market prices. The 9-day RSI also moved up in the oversold region to a level of 37.20 indicating the increasing strength in the prices.

The % K-line improved notably entering the neutral region indicating the rising strength in the price and the % D-Line also moved up in the oversold region supporting the improving trend.

The candlestick is hinting at the trade for Monday.

Market advice:

Market is expected to open steady and trade positive for Monday

Avoid new entry with medium and long-term outlook

Short term buying can yield profit

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Sept' '05	366.20	365.10	368.70	370.10
NCDEX	Sept' '05	366.00	364.90	370.20	371.70

Abbreviations:

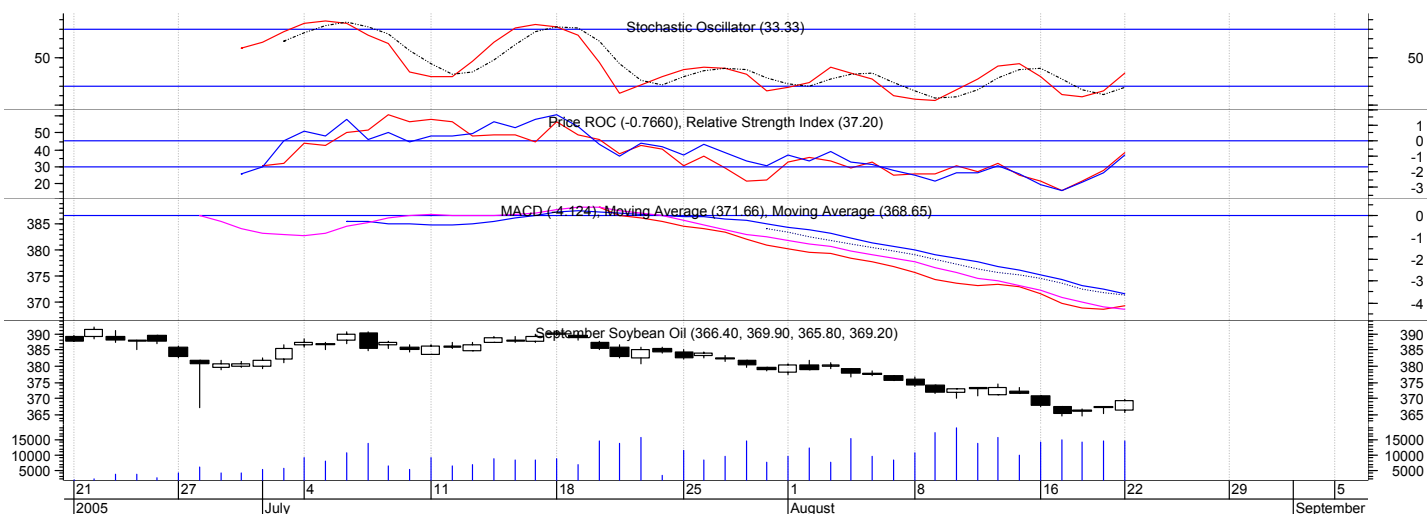
ROC - Rate of Change

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):

Soybean futures on the Chicago Board of Trade stumbled to three-month lows on Friday, succumbing to speculative liquidation pressure attributed to favorable near- and longer-range weather outlooks.

Good growing conditions and increased speculative selling drove the market sharply lower and to the lowest level since May 13th (604 is May lows for November soybeans).

Good rains across the Midwest on Thursday with more rains for Saturday along with mild temperatures for next week could trigger an improvement in crop conditions for Monday's weekly update and again for a week from Monday as rain is expected to boost soybean yields.

Gulf basis was lower with talk of the start of the harvest in Mississippi and Louisiana and a slow export line-up helping to pressure. Talk of further liquidation of fund long positions added to the negative tone.

In trades, Cargill and Fimat each bought 500 November. Term Commodities, ABN Amro, Rand Financial and Refco were each moderate buyers during the day. Bunge Chicago, Prudential Financial, Citigroup and Man Financial each sold 500 November, Cargill Investor Services, Fimat and Shatkin/Arbor each sold 1,000 November, RJ O'Brien and Rand Financial each sold 600 November, and Refco sold 700 November.

The US soybean is expected to continue on the lower side on Monday evening amidst continuously improving crop weather.

CBOT Soy oil futures as 19.08.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.51	22.30	22.37	22.20	-0.23	22.28
5-Oct	22.62	22.43	22.48	22.30	-0.27	22.35
5-Dec	22.81	22.65	22.65	22.47	-0.29	22.52
5-Jan	22.96	22.77	22.80	22.60	-0.30	22.66

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

November South American soybeans closed marginally lower amidst lack of support from the global demand. While the US market may come under seasonal pressures from the harvest into the fall, Brazil cash markets could remain firm if export demand remains strong.

In Brazil, crop guesses seem to range between 56 and 63 million tonnes as compared with the drought impacted crop of 2005 near 50 million tonnes. In the number one producing region of Mato Grosso, there is talk of a 10-30% drop in plantings due to poor prices and sharply higher input costs.

In the last world supply/demand report from the USDA, Brazil production is thought to be near 62 million tonnes, up from 51 million tonnes this season. South American export activity has remained firm recently, highlighted by sales to China for fall delivery. Uneasiness with the Brazil currency action and the political situation in Brazil continues to fester.

The good moisture in the central and northern cornbelt along with more rains in the forecast for the next few days leaves the weather as a bearish influence and the trade expecting improving crop conditions for the next few weeks. Rain is expected to help

boost yield potential and 1-2 inches in many northern Illinois areas was seen as especially beneficial.

China was a buyer of 55,000 tonnes in the weekly export sales report, which is the first purchase of new crop soybeans this year as compared with over 2 million tonnes last year at this point. Soybean prices were higher in India as the soybean crop areas have been too dry this season and declining yields are anticipated.

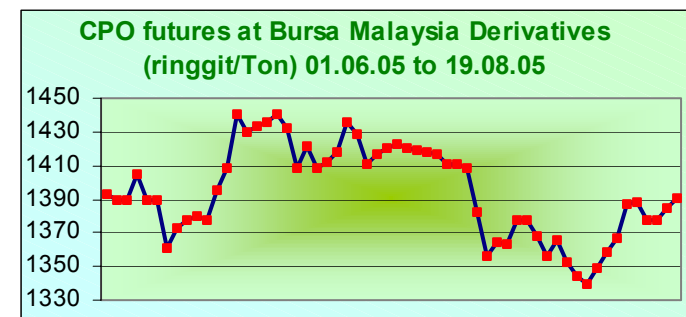
Cash markets at the Paranagua port in Brazil have been trading at 35 to 40 cents premium nearby futures in Chicago in recent days with bids up about 5 cents from last week at this time. China is beginning to book new crop soybeans, which is a positive sign, but demand factors may take a back seat to weather and fund activity for next week.

KLCE (Malaysian Palm Oil):

KLCE market remained closed on regular weekend holiday. It will reopen on Monday (22.08.05).

KLCE CPO Futures (19.08.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1376	1374	1383	1374	+6	1382	224
Oct '05	1382	1378	1393	1378	+6	1388	826
Nov '05	1387	1381	1396	1381	+4	1391	2597



Domestic:

Palm oil

The domestic palm oil market continued range bound on the positive side amidst pressure of increased support from the other edible oil futures.

The Malaysian market remained closed on its regular week end holiday without giving any clear trading directions.

The expected increase in import demand from China and India ahead of the long festive season would support the upsurge in prices at the Malaysian market.

In the month of August, till 19.08.05 the country has imported about 2.94 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 367.50 per tonne and RBD Palmolein at \$ 397.50 per tonne.

The price for palm oil in the market is expected to continue range bound on the lower side amidst declining retail demand and increased pressure of imports.

Palm oil - Spot Market Price (Rs. per 10 kg)			
Centres	20.08.05	19.08.05	Change
Kandla CPO (5 % FFA)	321	320	+1
Mumbai CPO (5% FFA)	322	321	+1
Kandla RBD Palmolein	355	354	+1
Mumbai RBD Palmolein	363	363	0
Chennai RBD Palmolein	357	355	+2
Kakinada RBD Palmolein	356	354	+2

Soy oil

The domestic market opened range bound and traded sharply positive for the day amidst steep rise in buyers support.

The US soybean continued on the lower side yesterday evening amidst continuing improving crop weather in spite of marginal support from the weekly export sales report.

Following the increased uncertainty in the international markets the domestic market is trading highly uncertain. It received major support from the soybean oil traders at NBOT, Indore as the September Contract closed on a very high level at 367.90 (Up By Rs. 2.90) and the newly opened October Contract also close higher by Rs. 2.90 at Rs. 369.50.

In the month of August, India has imported about 2.24 lakh tonnes of soybean oil till 20.08.05. The Hazir markets traded on the higher side amidst increased support at the futures.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 330 per 10 kg. CNF prices for soy degum (July Shipment) at Kandla were quoted at \$ 503 per tonne.

The market is expected to open and continue range bound on the higher side for Monday amidst continuous lack of support from the retail traders. Buying with short-term outlook is advised.

Soybean oil - Spot Market Price (Rs. per 10 kg)			
Centres	20.08.05	19.08.05	Change
Mumbai (Soy ref)	354	352	+2
Indore (Soy Ref oil)	364	362	+2
Indore (Soy Solvent Ex. oil)	340	338	+2
Kota (Soy Ref. Oil)	368	-	-
Jaipur (Soy Ref. Oil)	370	-	-

NBOT Soy oil futures as on 20.08.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	365.00	364.80	368.30	364.50	2.90	367.90	14240
Oct '05	366.60	366.50	370.10	366.50	2.90	369.50	290
Nov '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 18.08.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Aug'05	362.55	363.20	363.40	362.45	362.50	9450	3430
Sep'05	365.15	366.00	366.80	364.60	366.00	14260	36190
Oct '05	366.85	367.55	368.50	366.20	367.40	7960	23730

Rape oil

The rape oil market today traded improved significantly amidst increased buyers support following sharp rise at the Indore prices.

Today the mustard arrival was 0.15 lakh bags in Rajasthan.

The rape oil exchange market of Delhi, Hissar, Hapur and Bikaner traded sharply higher. Subdued trading was witnessed in the spot markets in the absence of retail demand.

The rape market is highly uncertain and is expected to trade range bound on the higher side on Monday. Avoid new entry with medium or long-term outlook.

Rape oil - Spot Market Price (Rs. per 10 kg)			
Centres	20.08.05	19.08.05	Change
Mumbai (Rape Expeller Oil)	390	388	+2
Kota (Rape Expeller Oil)	368	-	-
Jaipur (Rape Expeller Oil)	372	-	-
Neewai (Kacchi Ghani Rape Oil)	394	-	-
Delhi (Rape Expeller Oil)	395	396	+1

Groundnut oil

Groundnut oil today improved significantly amidst uncertain supply situation and increased uncertainty in the coming Kharif crop

The lower production estimate was expected to impart bullishness in the market but sharp increase in the imports to the tune of 5.20 lakh tonnes is expected to pressure the market and not allow the price to improve significantly.

The domestic market is expected to continue trading range bound on Monday amidst growing uncertainty in edible oil markets and pressure of increased imports.

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

Centres	20.08.05	19.08.05	Change
Mumbai (Excluding VAT)	505	490	+15
Rajkot	515	507	+8
Andhra Region	525	525	0
Chennai	525	524	+1

LATEST WEATHER WATCH (20.08.2005)

Weather Forecast

During past 24 hours fairly widespread rainfall with isolated heavy falls occurred over Assam, West Bengal & Sikkim, Orissa, Chhattisgarh and East Uttar Pradesh. Scattered showers also occurred over Bihar, Jharkhand, Vidarbha, Coastal Karnataka, Konkan & Goa and Madhya Maharashtra. Chief rainfall amounts in Cms are: Sagar Islands, Bhubaneswar, Pantnagar & Mahabaleshwar-9 each, Bahraich & Varanasi-8 each, Passighat & Guwahati-7each, Dehardun, Jabalpur-6 each, Khajuraho-5.

Western end of the axis of monsoon trough continues to lay close to the foothills of Himalayas and eastern end passes through Kanpur, Rewa, Ranchi, Shanti Niketan and thence southwards into westcentral Bay of Bengal. Under these conditions the rainfall activity over northwest India is likely to remain subdued during next 3-4 days.

Yesterday's upper air cyclonic circulation over northeast Uttar Pradesh and adjoining Bihar now lies over central Uttar Pradesh and extends upto 1.5 km a.s.l. The other upper air cyclonic circulation over northwest Bay of Bengal and adjoining coastal Orissa extending upto mid-tropospheric levels now lies over Gangetic West Bengal and neighbourhood.

Under this scenario moderate rainfall with isolated heavy falls likely over northeastern States, Gangetic West Bengal, Orissa, Jharkhand, Bihar, Chhattisgarh, East Madhya Pradesh and East Uttar Pradesh during next 2-3 days.

The upper air cyclonic circulation over Gujarat & neighbourhood has become less marked.

Forecast Valid For Next 72 Hours

Rain/thundershowers are likely at many places over northeastern States, West Bengal & Sikkim, Orissa, Jharkhand, Bihar, Madhya Pradesh, Chhattisgarh, East Uttar Pradesh, Maharashtra and Goa and at a few places over Andaman & Nicobar Islands, West Uttar Pradesh, Uttaranchal, Himachal Pradesh, Jammu division of Jammu & Kashmir, East Rajasthan, Gujarat Region, Telangana and Coastal Karnataka. It may be isolated in the rest regions of the country.

NORTH: Rain/thundershowers likely at many places over East Uttar Pradesh; at a few places over West Uttar Pradesh and Uttaranchal and isolated in the rest region.

EAST: Rain/thundershowers likely at most places over northeastern States and at many places in the rest region.

SOUTH: Rain/thundershowers likely at a few places over Andaman and Nicobar Islands, Telangana and Coastal Karnataka and isolated in the rest region.

WEST: Rain/thundershowers likely at many places over West Madhya Pradesh; at a few places over Maharashtra & Goa and isolated in the rest region.

Outlook For Subsequent Two Days

Enhanced rainfall activity likely to continue over northeastern States, east central India and Gangetic plains. Subdued rainfall activity likely over northwest India.

Warning

Heavy to very heavy rainfall likely at a few places over northeastern States and isolated over Orissa, Chhattisgarh and East Madhya Pradesh. Isolated heavy rainfall also likely over Gangetic West Bengal, Bihar, Jharkhand and East Uttar Pradesh.

PORT-WATCH (Latest)

Kandla Port is receiving 12,000 MT of palm oil from the vessel 'Bunga Siantan'. The cargo was loaded from Indonesia. The vessel is being handled by Interocean agents. 'Aschiillasas' from Argentina is expected at Kandla Port to discharge 28,500 MT of SBO. Delivery of 5,000 MT of CPO is expected at the port from the vessel 'Samho Cyenus'. 'Bum Woo' from Belawan is expected at the port to deliver 9,500 MT of CPO. Interocean agents will be handling these vessels.

'Golden Noori' has berthed at Mumbai Port and continues to deliver 8,000 MT of palm oil. James Mackintosh agents is handling the vessel. Delivery of 2,000 MT of palm oil is expected at Mumbai Port from the vessel 'Marine Pioneer'. The vessel will be handled by Seaworld agents.

'Antea' has berthed at Mundra Port and is continuing to deliver 11,000 MT of SBO. Interocean agents is handling the vessel. 'Global Trader' is expected at Mundra Port to deliver 5,000 MT of SBO. Taurus agents will be handling the vessel.

Kolkata Port is receiving 13,500 MT of SBO from the vessel 'Produce'. Seaport agents is handling the vessel. 'Monalisa' has berthed at Kolkata Port and continues to discharge 5,700 MT of CPO. Interocean agents is handling the vessel. Delivery of 6,000 MT of CPO is continuing at the port from the vessel 'Filma Satu'. Seaport agents is handling the vessel.

Chennai Port is receiving 6,500 MT of CPO from the vessel 'Bum Ik'. JM Baxi agents is handling the vessel.

'MMM Jackson' is expected at Kakinada Port to deliver 6,000 MT of CPO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Bom Woo	9500	CPO	Expected
	Aschiillasas	28500	SBO	Arrived
	Bunga Saitan	12000	Palm oil	Arrived
	Sam ho Cyenus	2000	Palm oil	Expected
Chennai	Bum Ik	6500	CPO	Arrived
Mumbai	Golden Noori	8000	Palm oil	Arrived
	Sam ho Cyenus	2000	Palm oil	Expected
Kakinada	MMM Jackson	6000	CPO	Arrived
Mundra	Global Trader	5000	SBO	Expected
	Antea	11000	SBO	Arrived
Kolkata	Produce	13500	SBO	Arrived
	Monalisa	5700	CPO	Arrived
	Filma Satu	6000	CPO	Arrived

Forex Rates

(As on 20.08.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.62
Malaysia	Ringgit	11.59
European Union	Euro	53.07
United Kingdom	GBP	78.38
Japan	100 Yen	39.51

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