

VEGOIL

30th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Moved Up on Less Than Expected Rains in Illinois
- South American Soybean Improved Marginally on Closure of New Orleans Port
- Crude Palm Oil Futures Continued Improving on Increased Short Coverings
- Soybean Oil Prices Continued Improving Amidst Increased Buyer's Support

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX September Contract

The September contract closed at 370.50, which is higher than yesterday's close. Market opened firm and improved further for the day amidst slight revival of buyers' interest.

The 7-day MA continued moving up along with the 14-day MA hinting to the improving sentiments in the prices.

MACD continues to be bullish and is moving up indicating the rising strength in the market.

The 9-days Price ROC improved further to +0.8311 (pointing upward) indicating the increasing strength in the market prices. The 9-day RSI also moved up in the neutral region to a level of 49.67 supporting the strength in the prices.

The % K-line continued up in the neutral region indicating improving strength in the market along with the % D-Line.

The candlestick is hinting at the firm opening and positive trade for Wednesday.

Market advice:

Market is expected to open positive and trade higher for Wednesday

Short term buying would yield profit.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Sept' '05	367.40	366.20	369.60	371.30
NCDEX	Sept' '05	368.40	367.10	371.80	373.40

Abbreviations:

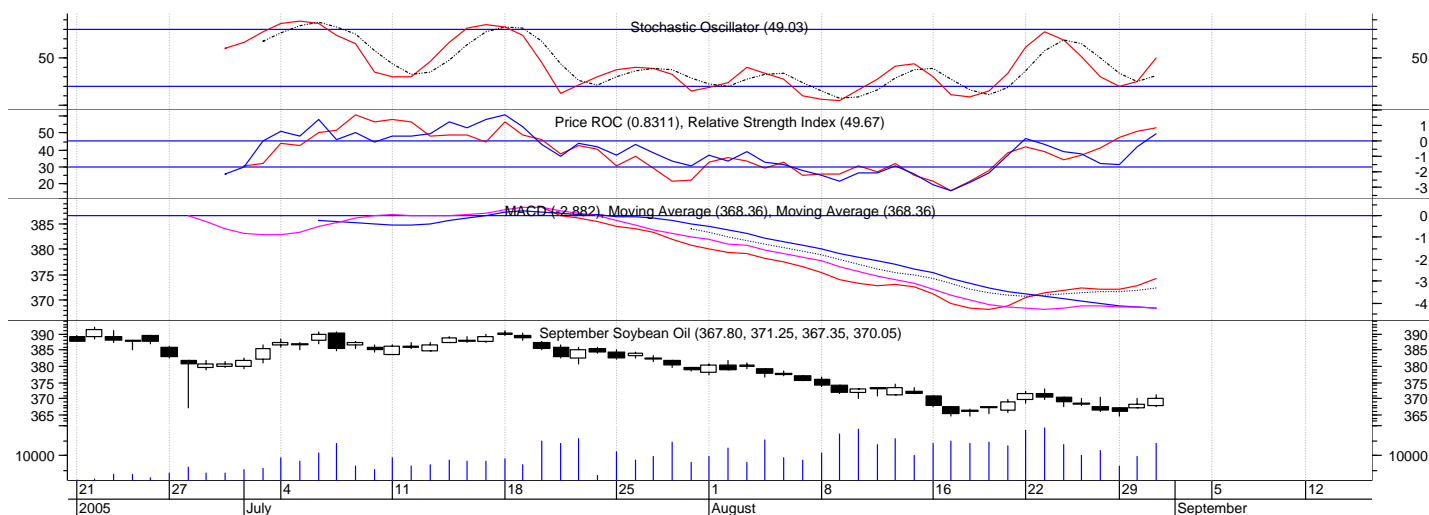
ROC - Rate of Change

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):

November soybeans improved marginally after news on the crop estimate on Friday afternoon from the crop tour last week, less than expected rains for Illinois over the weekend and some light concerns with potential crop loss.

The Pro Farmer crop tour estimated the production to be at 75.74 million tonnes, down 0.19 million tonnes from the August USDA forecast. The lower estimate of the production in US is certainly going to add bullishness to the soybean complex market in the near future.

Hurricane Katrina could keep the port of New Orleans shut down for several days were seen having a bearish influence on Prices.

It is anticipated that crops rated in good-to-excellent condition to come in 1 to 2 percentage points higher than last week in the weekly crop progress reports to be released today evening.

The US soybean is expected to continue range bound on the lower side on Tuesday evening amidst continuing uncertainty in the US soybean production prospects.

CBOT Soy oil futures as 29.08.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.08	20.20	22.45	20.20	+0.16	22.24
5-Oct	22.20	22.38	22.57	22.35	+0.16	22.36
5-Dec	22.38	22.56	22.78	22.56	+0.20	22.58
5-Jan	22.52	22.72	22.95	22.72	+0.23	22.75

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

Owing to the recent occurrence of Hurricane Katrina, the export port of New Orleans is to be closed for the next few days benefiting the South American ports, which can fulfil the quick shipment demand for soybean to the global market.

Low prices, losses last year and high input costs for the new crop season could cause drop in the planting area for soybean in Brazil. However, the focus of attention for now is still on the size of the US crop, and drier than normal weekend weather in US Midwest region helped support the market overnight.

The market anticipated a good rain event across Illinois on Saturday, but the rains were disappointing, and that supported a bounce overnight. Concerns with flooding of the un-harvested crop in the Deep South added to the positive tone.

The discount of palm oil to soybean oil on the world market and possible shifts in domestic demand to other edible oils could more than offset the improvements in demand from bio-diesel usage, and the implied soybean oil usage from last week's crush report was a disappointment to the demand bulls.

Stats Canada estimated the Canadian canola crop at 8.3 million tonnes on Friday, which is up by 7.7% from last year, pressuring the soybean oil market, as world oil supplies look plentiful this season.

Amidst improving export potential, the South American Soybean market is expected to continue range bound on the positive side.

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended marginally higher on Tuesday after a choppy trading day, with

late short covering helping the market recover from earlier losses linked to the weakness in the Indonesian rupiah.

The weakening rupiah fueled concerns about a potential negative impact on Malaysia's palm oil exports. Short covering interest also emerged late in the day as participants closed positions ahead of a market closure on Wednesday for Malaysia's National Day.

The market speculated August exports to be around 1.15 million tons but the exports would not be enough to prevent stocks from rising. Production in August is likely to be higher than July's 1.29 million tons.

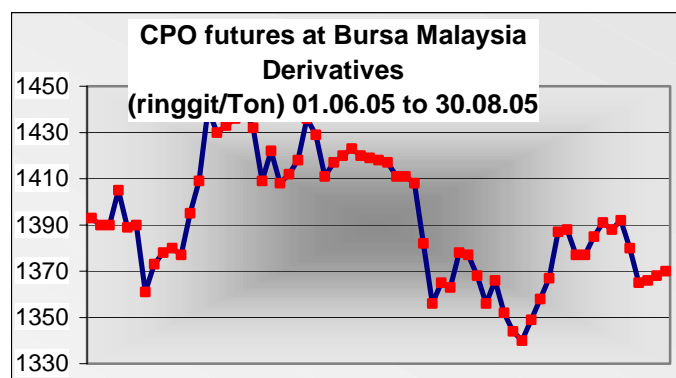
Official supply and demand data for August are only due mid-September. Overall, Tuesday's marginal rise marks the third straight day the benchmark contract has moved a mere 0.1%.

Participants are in a cautious mood due to ongoing uncertainty about the longer-term outlook for edible oil prices. Markets is still waiting for clearer indications on the size of major oilseed crops such as U.S. soybeans, which are now in a key growing period.

In the cash market, palm oil products were also mostly unchanged due to a lack of direction from CPO futures. The range bound trade is likely to continue further amidst declining support from the trading volumes.

KLCE CPO Futures (30.08.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1354	1348	1360	1345	+6	1360	591
Oct '05	1364	1358	1369	1354	+4	1368	1046
Nov '05	1368	1364	1373	1356	+2	1370	3206



Domestic:

Palm oil

The domestic palm oil market today continued range bound amidst subdued trade in retail market.

The Malaysian market traded range bound there has been no major shift in the supply and demand and most of the traders remained side lined waiting for clear directions from US soybean markets.

In the month of August, till 30.08.05 the country has imported about 3.42 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 360.00 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 Wednesday amidst increased pressure of imports.

Palm oil - Spot Market Price (Rs. per 10 kg)			
Centres	30.08.05	29.08.05	Change
Kandla CPO (5 % FFA)	320	320	0
Mumbai CPO (5% FFA)	322	323	-1
Kandla RBD Palmolein	356	355	+1
Mumbai RBD Palmolein	362	362	0
Chennai RBD Palmolein	355	354	-1
Kakinada RBD Palmolein	356	354	+2

Soy oil

The domestic market opened firm and continued further on the positive side as the day progressed amidst increased buyers' support.

It received support from the soybean oil buyers at NBOT and other exchanges. Indore's NBOT September Contract closed higher at 368.40 (Up by Rs. 1.80) and the October Contract closed up by Rs. 2.80 at Rs. 372.60.

In the month of August, India has imported about 2.72 lakh tonnes of soybean oil till 30.08.05. The Hazir markets traded positive amidst improving retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 329 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 499 per tonne.

The market is expected to continue on the positive side for Wednesday amidst increased buyers support. Buying with very short-term outlook is advised, as the market would be slightly positive for tomorrow's trade.

Soybean oil - Spot Market Price (Rs. per 10 kg)			
Centres	30.08.05	29.08.05	Change
Mumbai (Soy ref)	348	349	-1
Indore (Soy Ref oil)	364	363	+1
Indore (Soy Solvent Ex. oil)	340	340	0
Kota (Soy Ref. Oil)	366	365	+1
Jaipur (Soy Ref. Oil)	370	367	+3

NBOT Soy oil futures as on 30.08.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	366.60	365.80	369.30	365.80	+1.80	368.40	14040
Oct '05	369.80	369.20	373.40	369.10	+2.80	372.60	5330
Nov '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 29.08.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	366.10	367.10	370.20	367.05	368.20	9860	25010
Oct '05	366.55	368.00	371.95	367.20	369.95	10620	26740
Dec '05	366.10	367.10	370.20	367.05	368.20	9860	25010

Rape oil

The rape oil prices traded range bound amidst increasing support from the demand owing to approach of the festival season.

Today the mustard arrival was 0.12- 0.15 lakh bags in Rajasthan.

The rape oil exchange market of Delhi, Hissar, Hapur and the Bikaner traded range bound amidst lack of enhanced buyers' support.

The rape market is expected to continue marginally on the higher side on Wednesday. Buy with short and medium outlook.

Rape oil - Spot Market Price (Rs. per 10 kg)			
Centres	30.08.05	29.08.05	Change
Mumbai (Rape Expeller Oil)	393	390	+3
Kota (Rape Expeller Oil)	375	372	+3
Jaipur (Rape Expeller Oil)	377	374	+3
Neewai (Kacchi Ghani Rape Oil)	398	395	+3
Delhi (Rape Expeller Oil)	398	398	0

Groundnut oil

The groundnut market improved marginally in various spot market amidst concerns over the declining supplies.

Sowing of groundnut had been completed in the main growing states of Gujarat and Maharashtra but was still continuing in some other regions. Of the total area under kharif oilseeds crop, 5.35 million hectares were under groundnut cultivation (5.64 million hectares in 2004).

Area under groundnut crop was lower mainly due to lesser coverage in Andhra Pradesh, Gujarat, Maharashtra, Tamil Nadu and Uttar Pradesh. Sowing was however still continuing in Andhra Pradesh, Karnataka and Tamil Nadu following widespread rains in the first fortnight of Aug 2005.

The domestic market is expected to continue trading range bound on Wednesday amidst growing uncertainty in edible oil markets.

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

Centres	30.08.05	29.08.05	Change
Mumbai (Excluding VAT)	481	483	-2
Rajkot	410	505	+5
Andhra Region	522	520	+2
Chennai	525	522	+3

LATEST WEATHER WATCH (30.08.2005)

Weather Forecast

Monsoon rainfall activity remained subdued over most parts of the country as break monsoon conditions continue to prevail with the monsoon trough remaining close to foothills of Himalayas.

The rainfall occurred at some places in Orissa, Assam & Meghalaya, Gangetic West Bengal, Sub Himalayan West Bengal & Sikkim and Tamil Nadu & Pondicherry and at isolated places in Arunachal Pradesh, Nagland, Manipur, Mizoram & Tripura, Bihar, Himachal Pradesh and Gujarat region.

Heavy rainfall (>50 mm) occurred at Sholapur, Moderate rainfall (20 - 50 mm) occurred at Anantapur, Bhubaneswar, Indore and light rainfall (< 10 mm) or no rain at remaining stations.

Latest available satellite picture indicate the possible occurrence of rain / thundershowers over Gangetic West Bengal, coastal Andhra Pradesh, Lakshadweep and some northeastern states. Isolated rain / thundershowers are likely to occur over few places in Orissa, Jharkhand, Bihar, Chhattisgarh, Konkan & Goa, coastal Karnataka and Andaman & Nicobar Islands.

Forecast Valid For Next 72 Hours

The Climate outlook for precipitation issued by NCEP (National Center for Environmental Prediction) for the period of five days i.e. 30th August - 6th September 2005, shows the forecast of heavy rainfall (100 mm - 200 mm) over sub Himalayan West Bengal, Nagland, Manipur, Mizoram and Tripura; at some isolated places in states like coastal Kerala, coastal Karnataka, Telangana, and south Tamil Nadu and some northeastern states.; moderate rainfall (50 mm - 80 mm) at few places over the states like Bihar, west Uttar Pradesh, Maharashtra, Karnataka and Tamil Nadu & Pondicherry; light rainfall (3 mm-35 mm) over Gangetic West Bengal, west Madhya Pradesh, Jharkhand, Chhattisgrah, Orissa, and no rain over Rajasthan, Gujarat, Punjab, Haryana and Himachal Pradesh.

NORTH : Mainly dry weather in the region.

EAST : Rain/thundershowers likely at a few places over northeastern states and isolated in the rest region outside East Madhya Pradesh, where weather will be mainly dry.

SOUTH : Rain/thundershowers likely at a few places over Lakshadweep, Kerala and Tamil Nadu and isolated in rest region.

WEST : Isolated rain/thundershowers likely over West Madhya Pradesh, Maharashtra and Gujarat and mainly dry weather in the rest region.

Warning

Isolated heavy rainfall is likely over northeastern States and Sub-Himalayan West Bengal & Sikkim.

Outlook For The Next Two Days

Moderate rainfall activity over south Peninsula and Northeastern States is likely to continue.

Rainfall is likely to increase over Gangetic West Bengal and Orissa.

Subdued rainfall activity is likely to continue over rest of India.

Agricultural Activities:

In Chhattisgrah, medium to heavy rainfall has occurred at many places during the past few days. Area coverage under cereals is 96% out of which oilseeds is 57% and pulses is 48%. In general, the crop condition is satisfactory. Agricultural operations like Biasi in rice, weeding followed by top dressing of urea in rice, transplanting of seedlings of vegetable crops are under progress.

Northern parts of the Haryana received light rains and dry conditions prevailed in most parts of the state. The seasonal rainfall of the state is below normal. Deficient rainfall in most parts of the state during the past six weeks has caused soil moisture stress in rainfed crops. Standing crops like cotton, bajra and gaur were affected severely in Sirsa, Fatehabad, Hisar and Bhivani districts.

PORT-WATCH (Latest)

'Global Eos' from Indonesia has berthed at Kandla Port and continues to discharge 9,500 MT of CPO. The vessel is being handled by Forbes Gokak agents.

Mumbai Port received 1,500 MT of palm oil from the vessel 'Global Eos' and sailed off. Forbes Gokak agents handled the vessel. Delivery of 10,000 MT of palm oil is expected at Mumbai Port from the vessel 'Chemstar Hero'. JM Baxi agents will be handling the vessel.

Delivery of 6,000 MT of CPO is continuing at JN Port from the vessel 'Bunga Kentan Saty'. Interocean agents is handling the vessel.

'Spring Wind' has berthed at Kolkata Port and is continuing to discharge 7,250 MT of CPO. The vessel is being handled by Seaport agents. Kolkata Port is receiving 6,000 MT of SBO from the vessel 'MMM Galvestone'. GAC agents is handling the vessel.

Kakinada Port is receiving 5,000 MT of SBO from the vessel 'Instana 6'. The port is expecting 'Global Venus' to discharge 9,000 MT of CPO.

'Gertrude' and 'Zhong Hua 6' are expected at Chennai Port to discharge 5,000 MT and 4,000 MT of palm oil respectively. Seaport agents will be handling these vessels.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Eos	9500	CPO	Arrived
Kakinada	Montana Star	10000	SBO	Arrived
	Global Venus	9000	CPO	Expected
	Istana 6	5000	CPO	Arrived
Mumbai	Chemstar Hero	10000	Palm oil	Expected
	Global Eos	1500	Palm oil	Arrived
Kolkata	MMM Galveston	6000	SBO	Arrived
	Spring Wind	7250	CPO	Arrived
Chennai	Gertrude	5000	Palm oil	Expected
	Zhong Hua 6	4000	Palm oil	Expected
JN	Bunga Ketan Saty	6000	CPO	Arrived

Forex Rates

(As on 30.08.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.02
Malaysia	Ringgit	11.64
European Union	Euro	53.79
United Kingdom	GBP	78.94
Japan	100 Yen	39.68

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