

VEGOIL

29th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Improved Marginally Amidst Lack of Aggressive Trading
- Soybean Oil Prices Improved Sharply on Renewed Buyers' Support

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX September Contract

The September contract closed at 368.50, which is higher than yesterday's close. Market opened weak but improved towards the end of 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.

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

The 9-days Price ROC improved further to +0.6381 (pointing upward) indicating the improving strength in the market prices. The 9-day RSI also moved up in the neutral region to a level of 43.24 supporting the strength in the prices.

The % K-line moved up in the neutral region indicating improving strength in the market while % D-Line in the neutral region supporting the declining trend.

The candlestick is hinting at the range bound opening and positive trade for Tuesday.

Market advice:

Market is expected to open range bound but trade positive for Tuesday

Avoid new entry with medium and long-term outlook

Short term buying would yield profit. Carefully look for the opening before investing as the market may decline towards the end session

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Sept' '05	365.10	364.30	367.50	368.10
NCDEX	Sept' '05	367.10	365.40	369.90	371.10

Abbreviations:

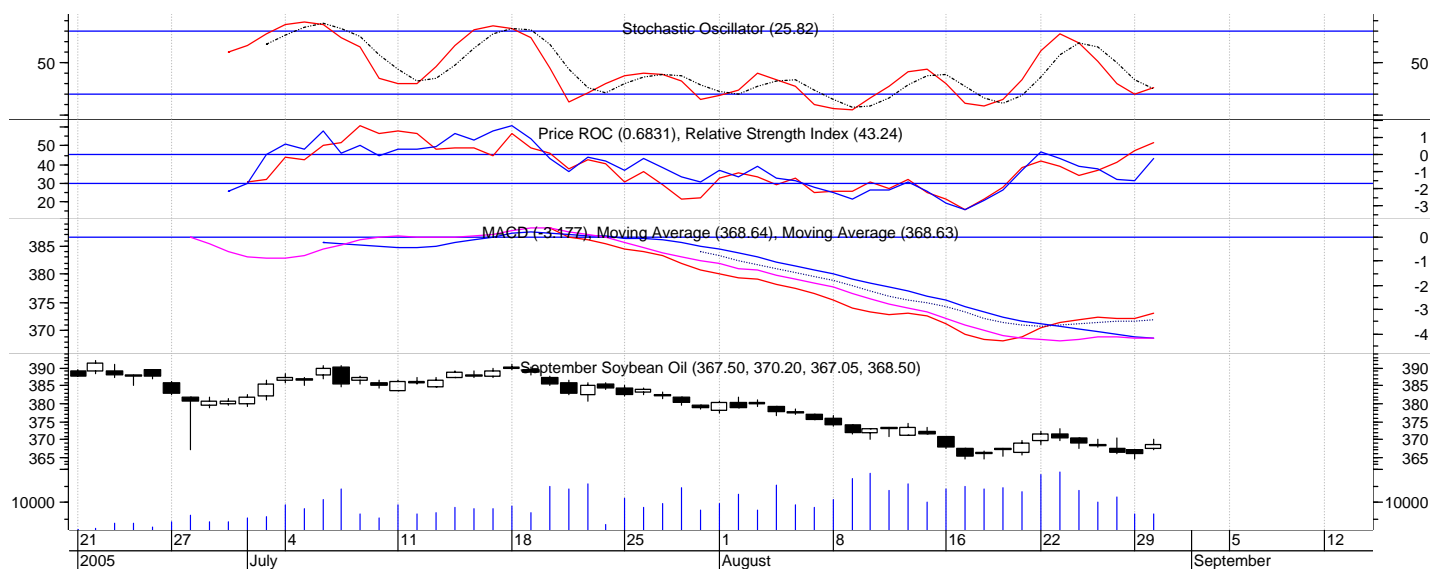
ROC - Rate of Change

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 (29.08.05).

CBOT Soy oil futures as 26.08.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.06	22.06	22.18	21.95	+0.02	22.08
5-Oct	22.15	22.15	22.27	22.06	+0.05	22.20
5-Dec	22.32	22.35	22.46	22.22	+0.06	22.38
5-Jan	22.47	22.55	22.60	22.40	+0.05	22.52

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 (29.08.05).

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended marginally higher after another sluggish, range-bound trading day Monday as an absence of fresh leads and cautious sentiment ahead of holidays later in the week kept participants on the sidelines.

Traders expressed that there has been no major shift in the supply and demand fundamentals to warrant a sharp move in prices.

The U.S. will also be closed for a holiday the following Monday. Traders said the market lacked clear direction Monday as a combination of positive and negative factors left prices to hover within a tight range. On the positive side, gains in soyoil futures in electronic trading lent support to palm oil prices.

Crude oil futures surged to more than \$70 a barrel for the first time Monday. A high crude oil price makes biodiesel more attractive, potentially boosting demand for edible oils. Despite the strong rise in soyoil prices, the upside for palm oil was limited by concerns about a potential rise in Malaysian palm oil stocks by end-August and the weakness in the Indonesian rupiah.

There has been speculation in the market that production in August is likely to be stronger than the 1.29 million tons reported in June. At the same time, exports, although recently estimated by cargo surveyors to be up about 10% on month in the Aug. 1-25 period, may not be enough to offset the higher supply, resulting in a build-up of stocks by month-end, traders said. Palm oil stocks totaled 1.27 million tons at end-July.

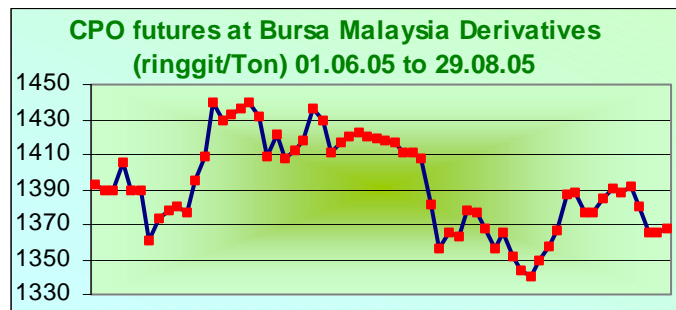
The dollar rose to IDR10,700, the highest since November 2001. A weak rupiah makes Indonesian CPO more competitive, potentially encouraging Indonesian producers to sell more. There was also some speculation in financial markets about the possibility of another upward revaluation of the Chinese yuan soon.

Any strengthening of the ringgit would be untimely as it would come just as the rupiah is weakening, making Malaysian palm oil even less competitive.

In the Malaysian cash market, palm oil products were also mostly unchanged, mirroring CPO futures.

KLCE CPO Futures (29.08.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1351	1352	1361	1352	+2	1353	168
Oct '05	1361	1363	1371	1361	+3	1364	248
Nov '05	1366	1367	1376	1364	+2	1368	1306



Domestic:

Palm oil

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

The Malaysian market traded range bound there has been no major shift in the supply and demand fundamentals to warrant a sharp move in prices.

In the month of August, till 29.08.05 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 Tuesday amidst low retail demand and increased pressure of imports.

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

Centres	29.08.05	27.08.05	Change
Kandla CPO (5 % FFA)	320	320	0
Mumbai CPO (5% FFA)	323	322	+1
Kandla RBD Palmolein	355	356	-1
Mumbai RBD Palmolein	362	362	0
Chennai RBD Palmolein	354	355	-1
Kakinada RBD Palmolein	354	354	0

Soy oil

The domestic market opened firm and traded further on the higher side as the day progressed amidst reviving buyers' support and positive technical correction.

Following the increased support in the international markets and increased demand at the retail end, the domestic market traded on the higher side. It received support from the soybean oil traders at NBOT, Indore as the September Contract closed higher at 366.70 (Up by Rs. 1.30) and the October Contract closed up by Rs. 3.30 at Rs. 369.60.

In the month of August, India has imported about 2.67 lakh tonnes of soybean oil till 29.08.05. The Hazir markets traded positive amidst improving retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 328 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 500 per tonne.

The market is expected to continue on the negative side for Tuesday in spite of the partial technical correction in the positive side. Buying with very short-term outlook is advised as the market would slightly positive and then decline in the end session.

Soybean oil - Spot Market Price (Rs. per 10 kg)			
Centres	29.08.05	27.08.05	Change
Mumbai (Soy ref)	349	348	+1
Indore (Soy Ref oil)	363	362	+1
Indore (Soy Solvent Ex. oil)	340	339	+1
Kota (Soy Ref. Oil)	365	364	+1
Jaipur (Soy Ref. Oil)	367	365	+2

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

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept '05	365.40	367.00	368.40	366.70	+1.30	366.70	20080
Oct '05	366.30	368.40	371.40	368.20	+3.30	369.60	6000
Nov '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 27.08.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	366.40	367.00	367.00	364.75	366.10	6500	25650
Oct '05	366.55	365.50	367.20	365.00	366.55	5250	26860
Dec '05	365.60	366.25	366.45	364.00	365.65	990	4820

Rape oil

The rape oil prices traded on the high amidst increased retail demand owing to approach of the festival season.

Today the mustard arrival was 0.15 lakh bags in Rajasthan.

The rape oil exchange market of Delhi, Hissar, Hapur and the Bikaner traded range bound on the positive side amidst increased of retail demand. Traders are expecting steady trend to continue amidst expected increase in retail demand.

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

Rape oil - Spot Market Price (Rs. per 10 kg)			
Centres	29.08.05	27.08.05	Change
Mumbai (Rape Expeller Oil)	390	390	0
Kota (Rape Expeller Oil)	372	370	+2
Jaipur (Rape Expeller Oil)	374	372	+2
Neewai (Kacchi Ghani Rape Oil)	395	394	+1
Delhi (Rape Expeller Oil)	398	397	+1

Groundnut oil

The groundnut market declined significantly as most of the trading activity in the various spot market was subdued owing to the declined retail demand.

The sowing is still on in AP, Karnataka and Tamil Nadu. AP too is witnessing crop diversion this year. Sowing is almost completed in Gujarat and Maharashtra. The Uncertain crop progress in the

major growing areas is expected to keep the trading sentiments on the high and not allow the prices to come down significantly.

The domestic market is expected to continue trading range bound on the lower side on Tuesday amidst growing uncertainty in edible oil markets and declining retail demand.

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

Centres	29.08.05	27.08.05	Change
Mumbai (Excluding VAT)	483	488	-5
Rajkot	505	Closed	-
Andhra Region	520	520	0
Chennai	522	525	-3

LATEST WEATHER WATCH (29.08.2005)

Weather Forecast

During last 24 hours, 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 foot hills of Himalayas. This condition is likely to prevail with Scattered moderate rainfall over North eastern states and Sub-Himalayan West Bengal & Sikkim and south peninsular India for next two days.

Yesterday's upper air cyclonic circulation over Kerala and neighbourhood between 2.1 & 4.5 km has moved westwards and now lies over Lakshadweep area. A fresh upper air cyclonic circulation lies over south Interior Karnataka and neighbourhood extending upto 2.1km above sea level tilting southeastwards with height. These systems likely to cause moderate rainfall activity over south peninsular India during next two days.

The other upper air cyclonic circulation extending between 2.1 to 4.5 km above sea level over Gujarat & neighbourhood persists.

A north-south trough runs from Sub Himalayan West Bengal to north Bay of Bengal extending upto 1.5 km above sea level

Yesterday's western disturbance as an upper air cyclonic circulation extending upto 2.1 km above sea level over north Pakistan and adjoining Jammu & Kashmir has moved away northeastwards.

Forecast Valid For Next 72 Hours

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, northeastern States and Sub-Himalayan West Bengal & Sikkim and at a few places over Gangetic West Bengal. Orissa, Himachal Pradesh, Jammu & Kashmir, Konkan & Goa, north Coastal Andhra Pradesh, Rayalaseema, Karnataka, Kerala and Lakshadweep. It may be isolated in the rest regions of the country outside Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Saurashtra & Kutch, Marathwada and Vidarbha where weather may be mainly dry.

NORTH : Rain/thundershowers likely at isolated places over Uttaranchal, Punjab, Himachal Pradesh and Jammu & Kashmir. Mainly dry weather in the rest region.

EAST : Rain/thundershowers likely at a few places over northeastern states and Sub-Himalayan West Bengal & Sikkim and isolated in the rest region outside East Madhya Pradesh, Chhattisgarh and Jharkhand where weather will be mainly dry.

SOUTH : Rain/thundershowers likely at many places over Lakshadweep, Karnataka and Tamil Nadu and at a few places in rest region outside Interior Andhra Pradesh where it may be isolated.

WEST : Isolated rain/thundershowers likely over Konkan & Goa; Madhya 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.

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
	Instana 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 28.08.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.78
Malaysia	Ringgit	11.62
European Union	Euro	53.99
United Kingdom	GBP	79.09
Japan	100 Yen	39.69

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