

VEGOIL

19th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Declined Marginally Amidst Improving Crop Weather
- South American Soybean Traded Range Bound Amidst Subdued Trading at Exchanges
- BMD CPO Futures Closed Unchanged on Lack of Clear Trading Initiatives
- Soybean Oil Prices Traded Range Bound Amidst Increased Uncertainty in Retail Demand

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX September Contract

The September contract closed at 367.00, which is marginally higher than yesterday's close. Market opened firm and continued range bound for most of the day on the higher side amidst increased uncertainty in the demand and increased imports.

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 bearish and is moving down indicating the declining strength in the market.

The 9-days Price ROC improved marginally to -1.942 (pointing upward) indicating the unsteadiness in the market prices. The 9-day RSI also moved up in the oversold region to a level of 26.25 indicating the increasing strength in the prices.

The % K-line improved marginally in the oversold region indicating the steadiness in the price while the % D-Line continued lower in the oversold region.

The candlestick is hinting at the improving but range bound trade for Saturday.

Market advice:

Market is expected to open steady and trade positive for Saturday

Avoid new entry with short, medium and long-term outlook

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Sept' '05	363.20	362.50	365.70	366.20
NCDEX	Sept' '05	366.10	364.90	368.00	370.20

Abbreviations:

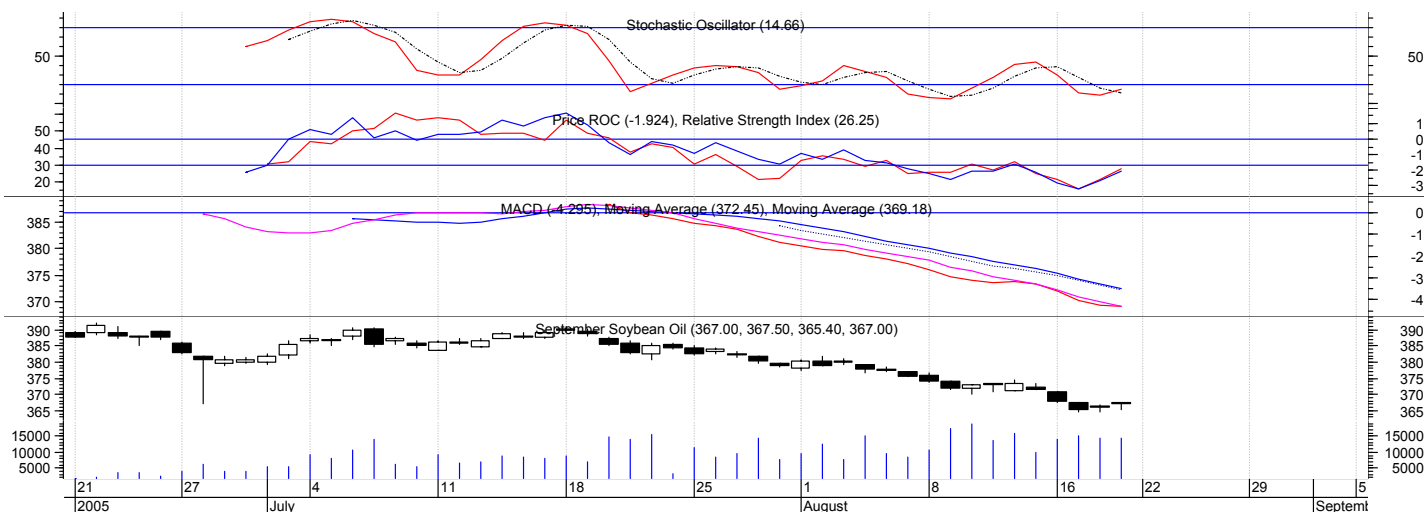
ROC - Rate of Change

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):

Soybean futures on the Chicago Board of Trade ended a choppy, two-sided session moderately lower on Thursday, quietly falling to session lows down the stretch, and unable to sustain early market strength.

The close near the lows is likely a function of better weather to see improving crop conditions into the weekend. Solid export sales news helped offset a bearish weather outlook to keep the trade choppy early in the session.

Another cold front is expected to bring rains on Saturday. Many areas are expected to receive 1 inch or more and eastern cornbelt areas should get 1/4 to 1/2 inch.

Weekly US export sales for soybeans came in at 425,900 metric tonnes as compared to trade expectations between 100,000-250,000. Cumulative old crop sales have reached 101.7% of the USDA forecast for the season as compared to 103.4% on average over the last five years.

Meal sales were 61,600 metric tonnes as compared to trade expectations between 25,000-100,000. Cumulative old crop sales have reached 88.5% of the USDA forecast as compared to 94.8% on average over the last five years. Sales of 106,300 metric tonnes per week are needed to reach the USDA estimate.

Oil sales came in at 3,600 metric V/S. trade expectations between 0-5,000. In addition, the oversold condition of the market and ideas that the negative weather outlook has already been priced on the sharp break off of Friday's highs added to the positive tone.

In trades, Refco bought 400 November; Cargill Investor Services bought 300 November and Fimat and RJ O'Brien were each buyers of 200 November. Cargill Investor Services sold 1,000 November; Rand Financial and Refco each sold 500 November; and Fimat and Man Financial each sold 300 November. Commodity funds were estimated sellers of 2,000 contracts.

The US soybean is expected to trade marginally on the lower side on Thursday evening amidst continuously improving crop weather.

CBOT Soy oil futures as 18.08.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.60	22.70	22.70	22.48	-0.09	22.51
5-Oct	22.67	22.80	22.80	22.58	-0.05	22.62
5-Dec	22.84	22.95	22.98	22.74	-0.03	22.81
5-Jan	23.02	22.97	23.14	22.88	-0.06	22.96

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

November South American soybeans traded range bound. 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 triggered some selling over the past week, with cash markets at Paranagua still holding a stiff premium for October delivery.

China may have bought as much as 110,000 tonnes of US soybeans last week, which would have been the first purchase for new crop soybeans for the year. This compares with 2.06 million

tonnes of US soybeans on the books last year at this time. Traders believe that China has booked more Brazil and Argentina soybeans for September and October delivery than normal, which could be why US sales have been so slow.

Commercial buying emerged in soybean oil to help forge a low yesterday, as high energy prices may be helping put in a floor on commodity markets (such as soyoil, corn and sugar) that can be converted to fuel. While the weather outlook looks favorable for improving crop conditions into late August, the market has stopped going down after taking out nearly the entire weather premium established when some areas of the Midwest turned dry in May and June.

South Korea bought 52,500 tonnes of US soybeans and 52,500 tonnes of Brazil soybeans overnight, and there is an improving tone for export activity after the recent sharp break in prices.

On a quick call around, we found bio-diesel prices BELOW regular diesel prices at most Midwest locations, and with the tax credits from the new bill and the economic advantage to the producers, bio-diesel demand, and therefore soyoil demand, should grow significantly in the years just ahead.

The Latin American soybean market is expected to trade higher on Thursday amidst increased uncertainty in the cropping weather in US.

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended moderately higher Friday but lacked the strength to surpass a major psychological resistance level. Participants remain hesitant as higher levels, as there has been no significant change in supply and demand fundamentals to support a sharp rise in prices.

Soyoil futures on the Chicago Board of Trade have been on a downtrend so far in August amid bearish weather conditions in the U.S. soybean growing areas.

South American cash soyoil, which competes directly with palm oil products for the same markets, has also been weak. Room for further gains in palm oil, therefore, may be capped in the near term, as palm oil needs to maintain an attractive discount to remain competitive.

Traders expressed the performance of the soyoil market would again be among the key factors to watch in the coming week. The soybean crop is currently in a crucial growing period, with any major change in weather conditions likely to have a lasting impact on production prospects.

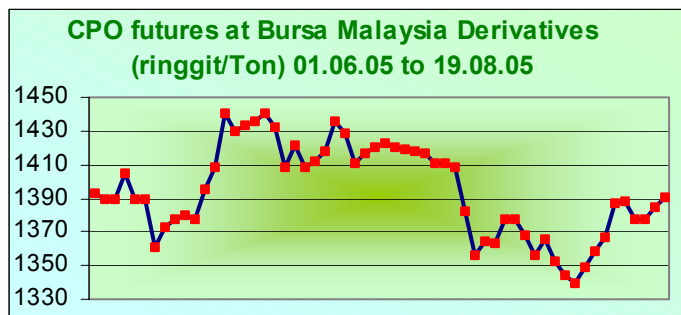
Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd are due to issue Aug. 1-20 Malaysian palm oil figures Monday and Aug. 1-25 data Thursday. Traders said Aug. 1-20 exports are expected to be around 780,000 to 800,000 tons, up from around 640,000 to 650,000 tons in the same period a month earlier.

Meanwhile, traders said market participants are also watching the Indonesian rupiah. So far, there has been no immediate impact from the rupiah's depreciation on palm oil prices, but traders said selling pressure may intensify if the currency continues to weaken. "If the rupiah is weak, Indonesian producers stand to earn more when they export palm oil. So they may make use of this opportunity to sell more.

In the Malaysian cash market, palm oil products were little changed amid slow trading activity. The Malaysian market is expected to trade range bound amidst continuing subdued demand in the global market.

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 amidst pressure of increased imports in the country.

The Malaysian market traded positive but is still indecisive amidst lack of clear indications from the global markets. The market found support from the revaluation of the Indonesian currency, which was strengthened increasing the prospects of the export of Malaysian palm oil.

The expected increase in import demand from China and India ahead of the long festive season is also supporting the upsurge in prices at the Malaysian market, but the excess liquidity in the Indian market is not allowing the prices to increase.

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 \$ 365.00 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 the lower side amidst declining retail demand and increased pressure of imports.

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

Centres	19.08.05	18.08.05	Change
Kandla CPO (5 % FFA)	320	320	0
Mumbai CPO (5% FFA)	321	321	0
Kandla RBD Palmolein	354	354	0
Mumbai RBD Palmolein	363	361	+2
Chennai RBD Palmolein	355	356	-1
Kakinada RBD Palmolein	354	356	-2

Soy oil

The domestic market opened range bound and traded positive for the day amidst support from the international markets.

The US soybean continued range bound on the lower side yesterday evening amidst continuing uncertainty in the crop weather in spite of marginal support from the weekly export sales report, which rested on the higher side of the trade estimates.

Following the increased uncertainty in the international markets the domestic market is trading highly uncertain. The domestic market is pressured by the sharp decline in the retail demand. It

received no support from the major soybean oil exchange (NBOT, Indore) as it was closed on Raksha Bandhan.

In the month of August, India has imported about 2.24 lakh tonnes of soybean oil till 19.08.05. Few of the Hazir markets continued range bound amidst increased uncertainty at the futures and declining retail demand.

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

The market is expected to open and continue weak for Saturday amidst continuous lack of support from the retail traders. Selling with short-term outlook is advised.

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

Centres	19.08.05	18.08.05	Change
Mumbai (Soy ref)	352	351	+1
Indore (Soy Ref oil)	362	365	-3
Indore (Soy Solvent Ex. oil)	338	340	-2
Kota (Soy Ref. Oil)	-	363	-
Jaipur (Soy Ref. Oil)	-	365	-

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

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	364.80	365.10	365.70	363.30	+0.10	364.90	23320
Oct '05	366.70	367.30	367.60	365.40	+0.10	366.80	1620
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 slightly amidst absence of major leads from the domestic markets. All the major market activity were closed owing to the Raksha Bandhan and most of the trading activity was limited to NCDEX and MCX exchanges as the regional exchanges were also closed.

Today the mustard arrival was 0.05- 0.07 lakh bags in Rajasthan.

The rape oil exchange market of Delhi, Hissar, Hapur and Bikaner was closed today. Subdued trading was witnessed in some of the spot markets.

The rape market is highly uncertain and is expected to trade range bound on the higher side. Sell with medium term outlook.

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

Centres	19.08.05	18.08.05	Change
Mumbai (Rape Expeller Oil)	388	393	--5
Kota (Rape Expeller Oil)	-	369	-
Jaipur (Rape Expeller Oil)	-	374	-
Neewai (Kacchi Ghani Rape Oil)	-	393	-
Delhi (Rape Expeller Oil)	396	396	0

Groundnut oil

Groundnut oil today improved marginally amidst uncertain demand supply situation as the major markets were closed on Raksha Bandhan.

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 Saturday amidst growing uncertainty in edible oil markets and pressure of increased imports.

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

Centres	19.08.05	18.08.05	Change
Mumbai (Excluding VAT)	490	495	-5
Rajkot	507	503	+4
Andhra Region	525	520	+5
Chennai	524	522	+2

LATEST WEATHER WATCH (19.08.2005)

Weather Forecast

Western end of the axis of monsoon trough remains close to the foothills of Himalayas and eastern end passes through Lucknow, Gaya, Dhanbad, Balasore and thence southeastwards into Eastcentral Bay of Bengal. Under these conditions the rainfall activity over northeast India is likely to remain subdued during next 2-3 days. Fairly widespread rainfall has also occurred over East Uttar Pradesh and Chhattisgarh. There have been reports of heavy to very heavy rainfall over parts of Nepal adjacent to Bihar & East Uttar Pradesh.

Yesterday's upper air cyclonic circulation extending upto 0.9 km above sea level over southeast Uttar Pradesh now lies over northeast Uttar Pradesh and adjoining Bihar.

The upper air cyclonic circulation over Gujarat & neighbourhood persists and is now seen between 2.1 & 3.1 km above sea level only.

The upper air cyclonic circulation over north Bay of Bengal now lies over northwest Bay of Bengal and adjoining coastal Orissa extending upto mid-tropospheric levels.

Forecast Valid for Next 72 hrs

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

EAST: Rain/thundershowers likely at many places in the region.

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

WEST: Rain/thundershowers likely at a few places over Konkan & Goa, Madhya Maharashtra and Vidarbha and isolated in the rest region.

Outlook For Subsequent Two Days

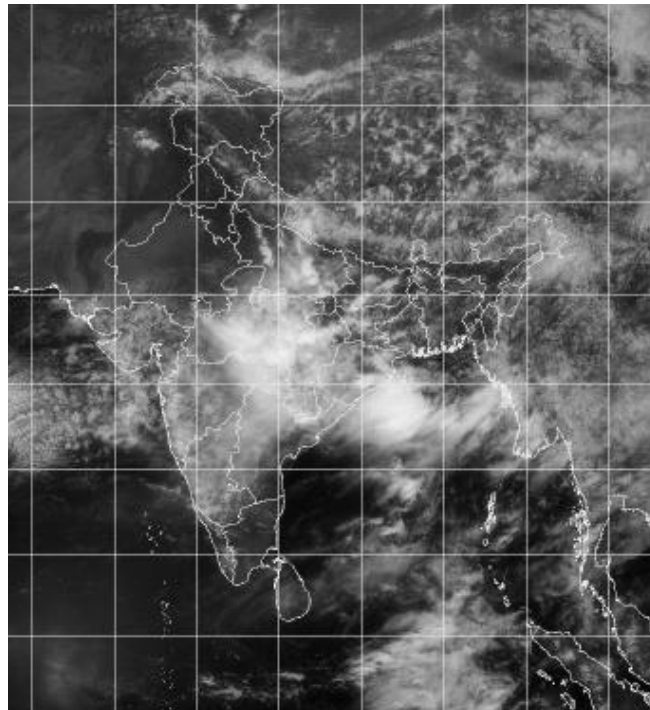
Subdued rainfall activity likely over northwest India.

Warning

Isolated heavy rainfall likely over Northeastern States, Sub-Himalayan West Bengal & Sikkim, Bihar, Uttaranchal and East Uttar Pradesh.

Latest satellite Image of Monsoon Progress

(19.08.2005, 03.30 PM)



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. 'Aschiileas' 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. 'Monolisa' 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
	Aschiilesas	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 19.08.2005)
Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.58
Malaysia	Ringgit	11.58
European Union	Euro	53.01
United Kingdom	GBP	78.08
Japan	100 Yen	39.45

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.