

VEGOIL

08th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Dipped Lower Amidst Declining Global Demand
- Soybean Oil Prices Continued Lower Amidst Declining Buyer's Support

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX August Contract

The August contract closed at 370.75, which was lower than Saturday's close. Market opened range bound but continued on the lower towards the close amidst increased profit booking and declining buyer's interest.

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

Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 15 period(s) ago. Since the MACD crossed its moving average, August soy oil's price has decreased 2.87% and has ranged from a high of 384.05 to a low of 370.50.

The 9-days Price ROC today lowed marginally to the level of -2.073 (pointing upward) indicating the unsteadiness in the market prices. The 9-day RSI continued lower entering the oversold region to a level of 26.68 indicating the declining strength in the prices.

The % K-line continued downward in the oversold region indicating the growing weakness in the price trend along with the % D-Line, which also entered in the oversold region.

The candlestick is still hinting at the weak opening for Tuesday.

Market advice:

Market is expected to open weak and continue range bound range bound for the day with weak undertone

Avoid new entry with medium and long-term outlook

Short-term selling could yield profit

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Aug' '05	368.70	367.20	371.40	372.50
NCDEX	Aug' '05	370.10	368.60	372.30	373.60

Abbreviations:

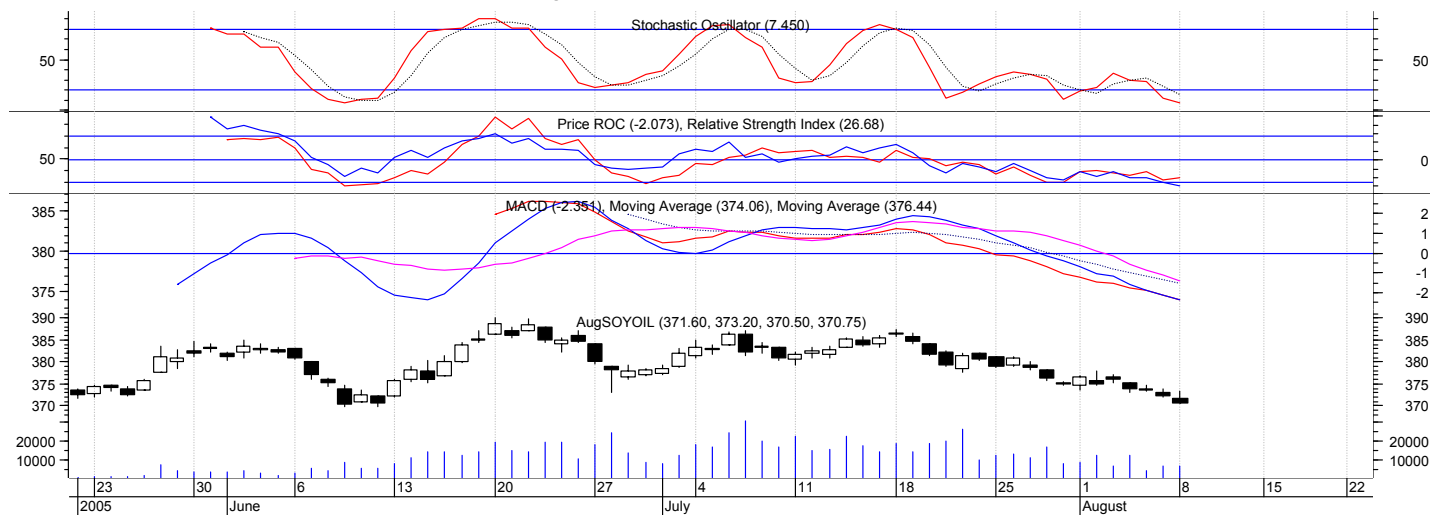
ROC - Rate of Change

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 (08.08.05).

CBOT Soy oil futures as 05.08.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Aug	24.15	24.15	24.15	23.20	-0.53	23.62
5-Sep	24.21	24.23	24.23	23.23	-0.52	23.69
5-Oct	24.28	24.17	24.17	23.25	-0.50	23.78
5-Dec	24.42	24.55	24.55	23.38	-0.50	23.92

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 (08.08.05).

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended marginally lower Monday. Weighing on the market were weaker soyoil futures on the Chicago Board of Trade Friday and continued concerns over slow demand.

Market players withdrew to the sidelines ahead of Singapore's National Day holiday Tuesday as major international commodities trading companies are based in Singapore.

People are also waiting for the figures coming out on Wednesday. The Malaysian Palm Oil Board is due to issue official July supply and demand data. On the same day, cargo surveyors SGS (Malaysia) Bhd. and Intertek Agri Services are also due to release estimates for Malaysian palm oil exports for the August 1-10 period.

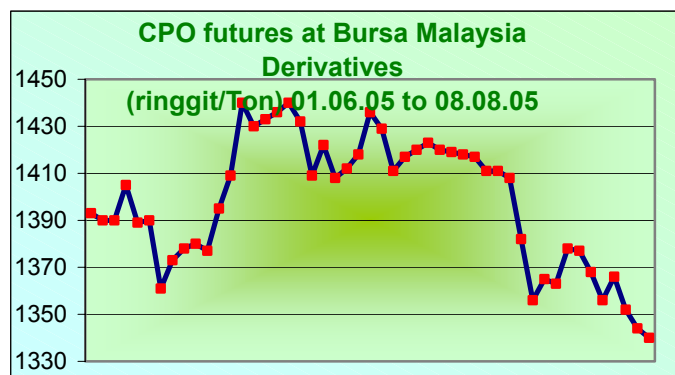
The MPOB data are expected to report a buildup of stocks at end-July from 1.18 million tons at end-June. There's also talk the cargo surveyors may again report poor estimates for the first 10 days of August. Palm oil exports have been on a downtrend for two straight months.

Slow consumer buying interest has been one of the key factors weighing on palm oil prices lately. Palm oil demand is expected to be strong around this time of the year as major buyers like China and India stock up for festivals later in the year. So far, however, demand has been uninspiring as importers continue to stay on the sidelines, waiting for clearer price direction.

Buyers are not desperate to buy yet. So, for now, they just want and wait to see whether the market can go even lower. In the Malaysian cash market, palm oil products were unchanged in slow trading. The market is expected to continue further lower side amidst growing bearishness in the US soybean markets and declining global demand.

KLCE CPO Futures (08.08.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Aug '05	1330	1320	1320	1320	-10	1320	18
Sep '05	1340	1338	1339	1331	-5	1335	524
Oct '05	1344	1342	1347	1333	-4	1340	2384



Domestic:

Palm oil

The domestic palm oil market declined marginally amidst lack of retail demand and growing weakness in the international markets.

The Malaysian market traded marginally lower amidst declining global demand and declining sentiments in the US soybean market. Overall market activity is expected to continue subdued as majority of traders are waiting on the sidelines for clearer directions from the US soybean market.

The import quantum has increased almost gradually. In the month of August (till 08.08.05) the country has imported about 1.17 lakh tonnes of palm oil. The import quantum is increasing day-by-day applying intense pressure on the domestic prices.

CNF prices of CPO (July) were quoted at \$ 352.50 per tonne and RBD Palmolein at \$ 387.50 per tonne.

The price for palm oil in the market is expected to continue range bound on the lower side amidst increasing uncertainty in the domestic as well as the global palm oil markets and declining retail demand.

Palm oil - Spot Market Price

(Rs. per 10 kg)

Centres	08.08.05	06.08.05	Change
Kandla CPO (5 % FFA)	322	321	+1
Mumbai CPO (5% FFA)	325	326	-1
Kandla RBD Palmolein	352	354	-2
Mumbai RBD Palmolein	360	362	-2
Chennai RBD Palmolein	354	356	-2
Kakinada RBD Palmolein	348	350	-2

Soy oil

The domestic market opened weak and traded further on the lower side for the day amidst increased selling pressure and lack of demand in the retail market.

The US soybean market is expected to open on a high note but trade range bound as the trading progresses. The high trading could be attributed to the uncertainty in the crop weather and declining exports. Following the international uncertainty, the domestic market continued on the lower side. At the time of closure the NBOT August Contract closed lower at a level of Rs. 369.60 (Down by Rs. 0.50) and the September contract ended at Rs. 373.20 (Down by Rs.0.90).

The trade at the domestic exchanges is greatly volatile on the lower side following pressure of expected bumper soybean crop owing to good rains.

In the month of August, India has imported about 0.88 lakh tonnes of soybean oil till 08.08.05. The Hazir markets continued range bound on the lower side amidst increased uncertainty at the futures and declining retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 337 per 10 kg. CNF prices for soy degum (July Shipment) at Kandla were quoted at \$ 512 per tonne.

The market is expected to open marginally lower for Tuesday amidst declining support from the buyers and increased pressure from the imports.

Soybean oil - Spot Market Price		(Rs. per 10 kg)		
Centres	08.08.05	06.08.05	Change	
Mumbai (Soy ref)	356	358	-2	
Indore (Soy Ref oil)	370	371	-1	
Indore (Soy Solvent Ex. oil)	350	351	-1	
Kota (Soy Ref. Oil)	372	374	-2	
Jaipur (Soy Ref. Oil)	373	375	-2	

NBOT Soy oil futures as on 08.08.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Aug'05	370.10	370.50	370.80	369.50	-0.50	369.60	4170
Sep'05	374.10	374.50	375.20	373.10	-0.90	373.20	11670
Oct '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 06.08.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Aug'05	373.80	373.00	374.00	372.05	372.30	6770	23920
Sep'05	377.25	377.00	377.00	375.50	375.65	8560	39920
Oct '05	379.65	379.90	379.90	377.70	378.10	4410	13990

Rape oil

The rape oil market today traded lower in both the futures as well as the domestic markets amidst unsteady buying support and continuing uncertainty in the other edible oil markets.

There uncertainty regarding the selling of mustard in the market by NAFED still continues in the domestic market keeping the futures range bound. NAFED is inviting daily tenders, but the rate quoted is on the higher side at which the domestic traders are reluctant to purchase.

Today the mustard arrival was 0.15 lakh bags in Rajasthan, which is on the lower side.

The rape oil market is expected to continue range bound with marginal improvement on Tuesday as the buyers' support is expected to improve.

Rape oil - Spot Market Price		(Rs. per 10 kg)		
Centres	08.08.05	06.08.05	Change	
Mumbai (Rape Expeller Oil)	390	392	-2	
Kota (Rape Expeller Oil)	380	382	-2	
Jaipur (Rape Expeller Oil)	383	384	-1	
Neewai (Kacchi Ghani Rape Oil)	400	403	-3	
Delhi (Rape Expeller Oil)	405	408	-3	

Groundnut oil

Groundnut oil improved marginally amidst continuing uncertainty regarding the supply in the market and increasing uncertainty in the other edible oil markets.

The continuing heavy rains in major growing areas of Gujarat owing to heavy rains and opening of major dams expected to cause damage to the crop if water is logged in the fields for a longer duration, creating uncertainty in the overall out put after less than normal sowing. The prospect of declining production is expected to impart bullishness in the market in the coming days.

The domestic market is expected to continue trading range bound on the positive side on Tuesday amidst increased uncertainty in edible oil markets.

Groundnut oil - Spot Market Price		(Rs. per 10 kg)		
Centres	08.08.05	06.08.05	Change	
Mumbai (Excluding VAT)	490	490	0	
Rajkot	522	520	+2	
Andhra Region	525	520	+5	
Chennai	528	525	+3	

LATEST WEATHER WATCH (08.08.2005)

Weather Forecast

Yesterday's upper air cyclonic circulation over Bangladesh and adjoining northeastern States persists upto 0.9 km above sea level with a trough aloft extending upto 3.1 km above sea level. A fresh upper air cyclonic circulation lies between 3.6 & 7.6 km above sea level over northwest Bay of Bengal off Orissa-West Bengal coast. The western end of the monsoon trough at sea level runs close to foothills of Himalayas, while its eastern end passes through Darbhanga, Malda, and thence eastwards to Silchar and Imphal. Under this scenario, rainfall activity with isolated heavy falls likely to continue over northeastern States and West Bengal & Sikkim during next 2-3 days. The off-shore trough now runs off Konkan-south Karnataka coast. Southwest monsoon has been vigorous over Sub- Himalayan West Bengal & Sikkim and active over Arunachal Pradesh, Assam & Meghalaya and Bihar. Rain/ thundershowers occurred at most places over Konkan & Goa and Coastal Karnataka; at many places over Gangetic west Bengal, Madhya Maharashtra and Coastal Andhra Pradesh and at a few places over Nagaland, Manipur, Mizoram & Tripura, Jharkhand, East Uttar Pradesh, Uttaranchal, Punjab, Himachal Pradesh, Jammu & Kashmir, Marathwada, Telangana, Interior Karnataka, Kerala and Lakshadweep. It was isolated over the rest regions of the country outside West Rajasthan, Saurashtra & Kutch where weather was mainly dry.

Forecast Valid For Next 72 Hours

Rain/thundershowers are likely at many places over northeastern States, West Bengal & Sikkim, Orissa, Uttaranchal, Himachal Pradesh, Jammu & Kashmir and Coastal Andhra Pradesh and at a few places over the rest regions of the country outside Madhya Pradesh, Uttar Pradesh, Haryana, Chandigarh & Delhi, Punjab, Rajasthan, Gujarat State, Marathwada, Vidarbha and Tamil Nadu & Pondicherry where it may be isolated. Rainfall activity likely to increase over East Madhya Pradesh, Chhattisgarh, Vidarbha and Telangana from 13th.

Outlook For Subsequent Two Days

The ongoing rainfall activity over Western Himalayan region, Bihar, West Bengal & Sikkim and northeastern States likely to continue.

Rainfall activity is likely to increase over east central & adjoining north Peninsular India.

Subdued rainfall activity likely over west-central India and plains of northwest India.

Warning

Isolated heavy rainfall likely over north-eastern States, West Bengal & Sikkim and coastal Orissa.

PORT-WATCH (Latest)

Delivery of 13,250 MT of SBO is continuing at Kandla Port from the vessel 'Biz'. The cargo was loaded from Brazil. Interocean agents is handling the vessel. 'Pacific Sound' from Padang has berthed at Kandla Port and continues to discharge 7,700 MT of palm oil. Interocean agents is handling the vessel. 'Golden Express' from Malaysia has berthed at the port and continues to discharge 8,000 MT of CPO. JM Baxi agents is handling the vessel. The port is receiving 9,475 MT of palm oil from the vessel 'Victory Ocean'. The cargo was loaded from Padang. The vessel is being handled by JM Baxi agents. Delivery of 7,000 MT of CPO is continuing at the port from the vessel 'Southern Unicorn'. The cargo was loaded from Belawan. Atlantic agents is handling the vessel. The port is expecting 'Sun Light' from Brazil to deliver 31,250 MT of SBO. Interocean agents will be handling the vessel. 'Hartati' from Padang is expected at the port to discharge 8,000 MT of palm oil. The vessel will be handled by JM Baxi agents.

Kolkata Port is receiving 6,000 MT of CPO from the vessel 'Ocean Ace'. The vessel is being handled by Atlantic agents. Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'Star Orion'. Seaport agents is handling the vessel.

Delivery of 5,000 MT of SBO is continuing at JNPT from the vessel 'Sun Light'. The cargo was loaded from Brazil. Interocean agents is handling the vessel.

Cochin Port is receiving 6,000 MT of palm oil from the vessel 'Ace I'. The vessel is being handled by Mega Freight agents.

'Gulf Dove' discharged 6,000 MT of SBO at Chennai Port and sailed off. JM Baxi agents handled 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. The port is expecting 'Spring Wind' to deliver 725 MT of palm oil. Seaport agents is handling the vessel.

Delivery of 6,000 MT of CPO is completed at Mundra Port from the vessel 'Vernal Grace'. Taurus agents handled handling the vessel.

Mumbai Port is expecting 'Pacific Sound' from Padang to deliver 6,747 MT of CPO. Interocean agents is handling the vessel.

Tuticorin Port is expecting 'Mega Crown No.1' to discharge 1,850 MT of palm oil. St.John agents will be handling the vessel.

Kakinada Port is expecting 'Golden Crane' to deliver 6,000 MT of CPO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Sun Light	31250	SBO	Expected
	Pacific Sound	7700	Palm oil	Arrived
	Victory Prima	9475	Palm oil	Arrived
	Biz	13250	SBO	Arrived
	Golden Express	8000	CPO	Arrived
	Victory Ocean	9475	Palm oil	Arrived
	Southern Unicorn	7000	CPO	Arrived
	Hartati	8000	Palm oil	Expected
Cochin	Ace I	6000	Palm oil	Arrived
Chennai	Ace I	6000	Palm oil	Expected
	Gulf Dove	6000	SBO	Arrived
	Spring Wind	7250	Palm oil	Expected
Kolkata	Star Orion	6000	CPO	Arrived
	Ocean Ace	6000	CPO	Arrived
Mumbai	Pacific Sound	6747	CPO	Expected
Kakinada	Golden Crane	6000	CPO	Expected
Tuticorin	Mega Crown I	1850	Palm oil	Expected
Mundra	Vernal Grace	6000	CPO	Arrived
JN	Sun Light	5000	SBO	Expected

Forex Rates

(As on 08.08.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
Malaysia	Ringgit	11.59
European Union	Euro	53.70
United Kingdom	GBP	77.29
Japan	100 Yen	38.75

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