

VEGOIL

29th September 2005

MAJOR ACTIVITY HIGHLIGHTS

- Palm oil markets look for direction
- Soyoil markets see steady to easy trend

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Soyoil October contract settled on drastically downside than yesterday's close at 363.95 today. Soyoil prices are weak amidst downward sentiment at the domestic exchanges and spot market.

The 7-day MA is going to slight down and remained below the 14-day MA, supporting downward movement in the soyoil futures. However, the 14-day MA is still moving downwards, showing weakness in the futures price trends.

The MACD is bounced back and going to downward but remained above its EMA, indicating bearish trend in the coming days.

The 9-days Price ROC rebounded and is going to down - 0.7429, indicating strong bearish sentiments of the prices. The 9-day RSI is moving downwards in the neutral region to a level of 32.35 supporting the bearish sentiments in the market prices.

The % K-line is going to downward after cutting the % D-line from up but remained in neutral region, hinting long-term weak in the prices.

The candlestick is showing a bearish market sentiment due to the closing is far below than that of opening price. Hinting bearishness.

Market advice:

Market is expected to open high and trade slight bearish but price recovery might be possible at the second hour of trading session for Friday.

Selling in the opening session would yield profit in the short-term.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Oct' '05	363.4	364.5	359.32	357.9

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 Soy Futures End Slightly Higher

Soy futures at Chicago Board of Trade settled higher on Wednesday. November soybean future settled up 5.25 cents at \$5.62 per bushel and January up 5.5 cents at \$5.72 per bushel. December soybean oil up 4 points at 22.68 cents per pound. Firming up in energy and gasoline prices is supposed to have helped lifting all the grain prices. Otherwise, bulls have nothing big in their baskets to play long. Weather is unlikely to help them for rains in Midwest are expected to remain below 1 inch in entire Midwest region. Traders, however not expecting much from weekly export report despite rumors of Chinese buying.

CBOT Soy oil futures as 28.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Oct	22.08	22.16	22.50	22.08	0.34	22.42
5-Dec	22.28	22.35	22.73	22.31	0.40	22.68
6-Jan	22.49	22.55	22.95	22.50	0.39	22.88
6-Mar	22.64	22.75	23.15	22.12	0.46	23.10

CBOT remains closed on Saturday and Sunday.

South American Soybean Market Ends Down

November South American soybeans fell 15.5 cents at US \$ 6.28 per bushel. The slowdown in shipping out of the US Gulf due to hurricane troubles appears to have done little to bring export business to South America, as the new US crop tends to dominate world trade at this time of the year. The US movement will still dominate South American trade, the focus will gradually move to southern hemisphere crop production prospects for 2006.

South American soybeans are under pressure from low contract in the US and also from reports of planting activity picking up in Brazil due to decent rainfall there. Freight rate considerations might discourage some movement.

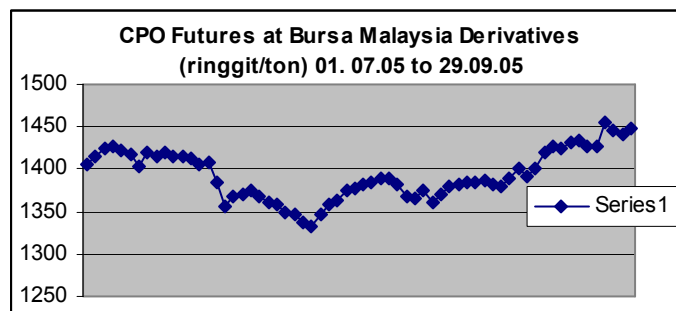
The whole hurricane influence on US oil supplies might diminish and that could further disappoint soybean oil traders. It is also possible that transportation costs or low prices will slow US farmer selling. Overall energy prices have weakened somewhat since the Rita cyclone. Soybean conditions improving and harvest weather getting back on track after the rain.

BMD Palm oil Futures Look For Direction

Crude Palm oil Futures at Bursa Malaysia Derivatives settled marginally up after thinly traded session. Benchmark December future settled up MYR 6 ringgit at MYR1448 per ton. Majority players in the market however are suspicious against persistence of bullish trend in long term. Traders give credit of this rally to speculative buying related to firming up of energy prices. However, its demand in the physical markets remained low. Also, traders see low scope of improvement owing to narrowing discount against soyoil prices. Palm oil and Soyoil are generally considered as traditional rival. Traders are not expecting fresh leads from SGS figures. Cargo Surveyor, SGS will be releasing its export estimates for Malaysian Palm oil on Friday.

KLCE CPO Futures (29.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close
Oct '05	1431	1438	1445	1435	9	1440
Nov '05	1440	1442	1448	1438	4	1444
Dec '05	1442	1445	1453	1440	6	1448



Domestic:

Palm oil

Palm oil markets featured directionless trade. Supply is not at all concerning. Speculative factors failed to provide any direction in the market. Palm oil prices maintained their previous levels in all the major markets. Local traders are expecting fresh leads to come from the SGS report tomorrow.

FOB prices of CPO (Oct) were quoted at \$ 375 per tonne and RBD Palmolein at \$ 415.00 per tonne.

Palm oil markets likely to see steady to easy trend.

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

Centres	29.09.05	28.09.05	Change
Kandla CPO (5 % FFA)	324	324	0
Mumbai CPO (5% FFA)	-	-	-
Kandla RBD Palmolein	354	354	0
Mumbai RBD Palmolein	362	362	0
Chennai RBD Palmolein	356	354	+2
Kakinada RBD Palmolein	355	354	+1

Soy oil

Soybean harvest has started well in Maharashtra. Arrivals in Maharashtra are increasing. Arrivals today in Maharashtra state were reported at 4000 bags. Arrivals are improving in Madhya Pradesh. Indore received 200 bags of fresh soybean today. Market have overlooked the much hyped likely reduction in soybean production. COOIT had estimated the domestic soybean production at 53.5 lakh ton against 58.5 lakh ton harvested last year.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 326 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 510 per tonne.

The market is expected to open range bound.

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

Centres	29.09.05	28.09.05	Change
Mumbai (Soy ref)	344	345	-1
Indore (Soy Ref oil)	360	360	0
Indore (Soy Solvent Ex. oil)	339	339	0
Kota (Soy Ref. Oil)	358	356	+2
Jaipur (Soy Ref. Oil)	368	365	+3

NBOT Soy oil futures as on 29.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	363.7	364.30	365.20	362.70	-0.1	362.70	15280
Nov '05	363.8	364.30	365.20	360.70	-3.1	360.70	27810
Dec '05	N.A	N.A	N.A	N.A	0.0	N.A	N.A

NCDEX Soy oil futures as on 28.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	365.65	364.40	365.75	363.60	363.95	6050	21000
Nov '05	365.95	365.00	365.45	363.50	363.60	9080	24010
Dec '05	366.60	365.75	366.5	364.00	365.00	1810	3630

Rape oil

Sentiments in rape oil markets remained unchanged. The Government of India has hiked the MSP (Minimum Support Price) of Mustard oil Rs.1715 from 1700 per quintal. But there was no impact of MSP reflected from the market. Sowing of rapeseed has started in some areas of Rajasthan (like Kota region) and Gujarat. There were reports that farmer's are facing problems in sowing due to shortage of DAP fertilizer. Traders fear that shortage of DAP might cut total acreage to be sown under this crop in Rajasthan.

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

Centres	29.09.05	28.09.05	Change
Mumbai (Rape Expeller Oil)	393	393	0
Kota (Rape Expeller Oil)	375	375	0
Jaipur (Rape Expeller Oil)	382	382	0
Neewai (Kacchi Ghani Rape Oil)	395	395	0
Delhi (Rape Expeller Oil)	396	397	0

Groundnut oil

Groundnut markets remained intact from the downtrend in other edible oil and weakness in the overseas markets. Harvesting of groundnut has yet to gain momentum in key producing areas. Festival demand from the retail end has helped underpinning its values. Buying however remained confined from local consumption centres. Also, buyers are not very aggressive and covering just for their immediate requirement as of now.

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

Centres	29.09.05	28.09.05	Change
---------	----------	----------	--------

Mumbai (Excluding VAT)	498	498	0
Rajkot	522	522	0
Andhra Region	505	500	+5
Chennai	465	465	0

LATEST WEATHER WATCH (29.09.2005)**Weather Forecast**

During past 24 hours, scattered to fairly widespread rainfall with isolated heavy falls have occurred over north coastal Tamil Nadu, Coastal Andhra Pradesh, Orissa, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura, South Interior Karnataka and Madhya Maharashtra. Chief amounts of rainfall (in cm) during past 24 hours are: Kolkata-8, Pondicherry-8, Cuddalore-7, Nagapatnam & Bangalore-6 each, Kolhapur, Kalingapatnam & Pune-5 each and Balasore & Silchar-4 each.

Southwest monsoon has further withdrawn from entire Jammu & Kashmir, Himachal Pradesh; some parts of Uttaranchal, West Uttar Pradesh & West Madhya Pradesh some more parts of north Gujarat region and remaining parts of Haryana including Delhi & Rajasthan. The withdrawal line passes through Leh, Kalpa, Bareilly, Gwalior, Jhalawar, Ahmedabad, Dwarka, 22° N/67° E and 22° N/60° E.

The upper air cyclonic circulation over Saurashtra and adjoining southeast Arabian Sea persists and extends between 1.5 and 5.8 km a.s.l

Under influence of the cyclonic circulation over north Bay of Bengal a low pressure area has formed over westcentral Bay of Bengal. The associated upper air cyclonic circulation extends upto mid-tropospheric levels. The system may become well marked. Under its influence scattered to fairly widespread rainfall is likely over coastal area of Tamil Nadu, Andhra Pradesh, Orissa and Gangetic West Bengal.

Forecast valid For Next 72 hours

NORTH : Isolated rain/thundershowers likely over Uttaranchal and Himachal Pradesh. Mainly dry weather is likely in the rest region.

EAST : Rain/thundershowers likely at many places over northeastern States and coastal areas of West Bengal & Orissa; **at a few places** over rest West Bengal, Sikkim and rest Orissa and **isolated** in the rest region outside East Madhya Pradesh and north Chhattisgarh where weather may be **mainly dry**. **Slight increase in rainfall over** Gangetic West Bengal and Orissa after 24 hrs

SOUTH : Rain/thundershowers likely at many places over Andaman & Nicobar Islands, Coastal Andhra Pradesh and coastal Tamil Nadu & Pondicherry; at a few places over rest Andhra Pradesh, rest Tamil Nadu and Coastal Karnataka and isolated in the rest region. Increase in rainfall likely over south peninsula after 24 hours.

WEST : Rain/thundershowers likely at many places over Konkan & Goa and Madhya Maharashtra and isolated over Marathwada. Mainly dry weather is likely in the rest region

Warning

Isolated heavy rainfall likely over coastal areas of West Bengal, Orissa, Andhra Pradesh and Tamil Nadu & Pondicherry

Outlook for the next two days based on NCMRWF and other numerical weather products: Increase in rainfall over south peninsula and adjoining central India.

PORT-WATCH (Latest)

'Stlot Guardian' has berthed at Kolkata Port and continues to discharge 21,000 MT of SBO. JM Baxi agents is handling the vessel. Kolkata Port is receiving 6,000 MT of CPO from the vessel 'MMM Houston'. The vessel is being handled by Seaport agents. 'MMM Jackson' is expected at the port to discharge 6,000 MT of CPO. Seaport agents will be handling the vessel.

Delivery of 8,000 MT of SBO is expected from the vessel 'Bryggen' at Kandla Port. The cargo was loaded from Argentina. Interocean agents will be handling the vessel. The port is expecting 'Azteca' from USA to discharge 5,650 MT of SBO. JM Baxi agents will be handling the vessel. 'Storm' from Argentina is expected at the port to deliver 22,750 MT of SBO. The vessel will be handled by Interocean agents. Delivery of 10,000 MT of CPO is expected at the port from the vessel 'Southern Unicorn'. The cargo was loaded from Dumai. Atlantic agents will be handling the vessel.

'Eastern Amenity' is expected at Mumbai Port and to discharge 8,520 MT of palm oil. GAC agents will be handling the vessel.

Delivery of 6,300 MT of palm is expected at Tuticorin Port from the vessel 'Khadijah'. St.John agents will be handling the vessel.

Forex Rates (As on 29.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.02
Malaysia	Ringgit	11.68
European Union	Euro	53.05
United Kingdom	GBP	77.73
Japan	100 Yen	39.02

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Azteca	5650	SBO	Expected
	Spring Wind	4750	SBO	Arrived
	Global Eos	5500	CPO	Arrived
	Bryggen	8000	SBO	Expected
Kolkata	MMM Houston	6000	CPO	Arrived
	MMM Jackson	6000	CPO	Expected
Mumbai	Eastern Amenity	8520	Palm oil	Expected
JN	Storm	22750	SBO	Expected
Cochin	Cheras	5890	Palm oil	Arrived
Chennai	Ace I	6000	CPO	Expected
New Mangalore	Bumik	6500	CPO	Arrived
Kakinada	Istana 6	6000	CPO	Arrived
Tuticorin	Khadijah	6300	Palm oil	Expected

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.