

VEGOIL

27th September 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Continue to Move Upward
- Soybean Oil Prices Up on Speculative Buying

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX October Contract

Soyoil October contract finished significantly higher than yesterday's close at 365.70 today. Soyoil prices is high due to increased buying support at the domestic exchanges as well as the international exchanges (KLCE).

The 7-day MA has started moving slightly upwards, supporting upward movement in the soyoil futures. However, the 14-day MA is still moving downwards, showing weakness in the futures price trends.

The MACD has made a bullish crossover with its EMA, hinting further uptrend in the coming days.

The 9-days Price ROC continued improving to 0.1918 (moving upward) indicating the rising sentiments in the prices. The 9-day RSI moved further upward in the neutral region to a level of 48.90 supporting the bullish sentiments in the market prices.

The % K-line continued up and it has entered the overbought region hinting short-term strength in the prices. The % D-Line also continued up indicating the improving sentiments in the prices.

The candlestick is showing a firm opening and improving trade for Wednesday

Market advice:

Market is expected to open firm and trade higher for Wednesday.

Buying 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
NBOT	Oct' '05	363.90	362.80	366.70	368.20
NCDEX	Oct' '05	364.80	364.10	368.00	368.90

Abbreviations:

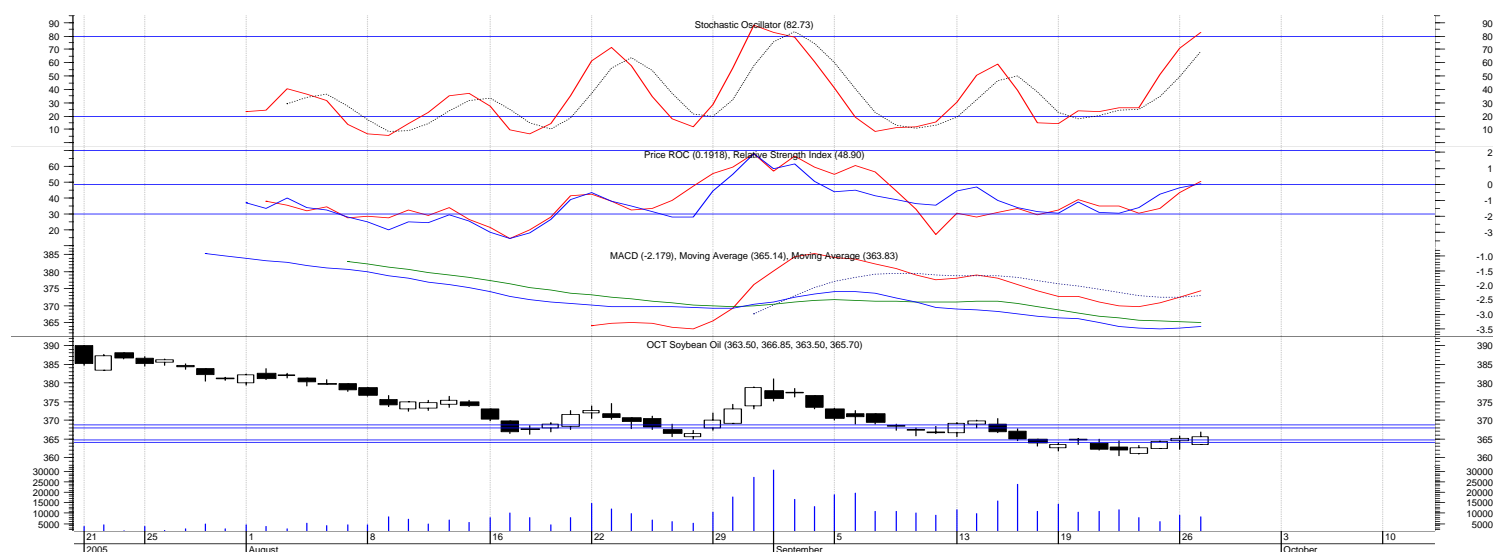
ROC - Rate of Change

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 South America soybeans closed 6 cents lower at US\$ 648. With only minor harvest delays from rain in the US, talk of bumper US yields and China buying US beans from the Pacific Northwest ports, the upside potential for South American beans looks limited unless demand picks up.

Brazil producer selling remain slow due to dryness in some regions, which has encouraged sellers to hold on stocks. More production of Soybean in US, for example 38% of Louisiana soybeans remain uncut, (the total Louisiana soybean crop was expected to be 30.1 million bushels in 2005), demand for Brazil could continue to weaken. The market of soybean is bearish.

Rains over the weekend in the US slowed harvest somewhat, and more rain is expected this week and into next weekend, but in between each system there is the potential for a couple of days of dry weather, so harvest delays could be limited. Earlier apprehension of less production of crude oil due to closure of refineries from US storm (Rita) has been faded with declining intensity of storm.

CBOT Soy oil futures as 26.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Oct	22.88	22.85	22.85	22.45	-0.21	22.67
5-Dec	23.15	23.19	23.19	22.70	-0.21	22.94
6-Jan	23.32	23.25	23.25	22.88	-0.18	23.14
6-Mar	23.50	23.35	23.35	23.05	-0.19	23.31

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

November South America soybeans closed 6 cents lower at US\$ 648. With only minor harvest delays from rain in the US, talk of bumper US yields and China buying US beans from the Pacific Northwest ports, the upside potential for South American beans looks limited unless demand picks up.

Brazil producer selling remain slow due to dryness in some regions, which has encouraged sellers to hold on stocks. More production of Soybean in US, for example 38% of Louisiana soybeans remain uncut, (the total Louisiana soybean crop was expected to be 30.1 million bushels in 2005), demand for Brazil could continue to weaken. The market of soybean is bearish.

Rains over the weekend in the US slowed harvest somewhat, and more rain is expected this week and into next weekend, but in between each system there is the potential for a couple of days of dry weather, so harvest delays could be limited. Earlier apprehension of less production of crude oil due to closure of refineries from US storm (Rita) has been faded with declining intensity of storm.

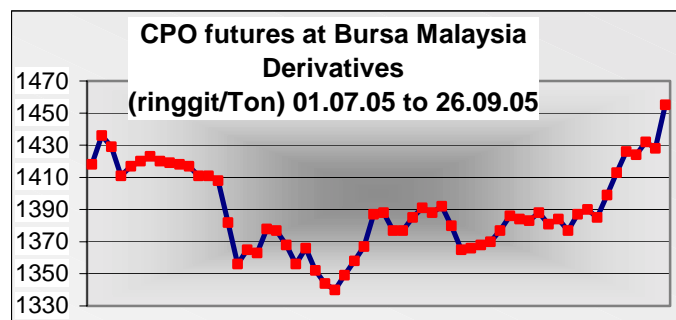
KLCE (Malaysian Palm Oil):

Crude palm oil futures at Bursa Malaysia Derivatives settled partially up on renewed hopes of increase in its demand for bio-fuel. Benchmark December future settled up MYR3 at MYR1458 per ton. BMD futures opened on a weak note following weak closing of soy futures at Chicago Board of Trade. Upward movement however, was more on speculative factors. Real trade in spot markets remained thin. Since the price of crude oil is rising, renewed hopes of likely increase in bio-fuel usage helped

carting futures upward. Other factors put in were likely increase in demand from Asian countries for festivity ahead.

KLCE CPO Futures (27.09.05) (In Ringgit /T)

Months	Previous	High	Low	Change	Close
Oct '05	1441	1459	1440	+4	1445
Nov '05	1450	1467	1443	+4	1454
Dec '05	1455	1471	1446	+3	1458



Domestic:

Palm oil

There were strong rumours in the market that government is planning to increase duty on import of Crude Palm oil having high FFA. It's been generally imported for industrial usage like soap making. But there were reports that this CPO is being used in making Vanaspati ghee, which is not fit for human consumption.

FOB prices of CPO (Oct) were quoted at \$ 372.50 per tonne and RBD Palmolein at \$ 410.00 per tonne.

The price for palm oil in the market is expected to continue range bound on Wednesday.

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

Centres	27.09.05	26.09.05	Change
Kandla CPO (5 % FFA)	323	321	+2
Mumbai CPO (5% FFA)	325	323	+2
Kandla RBD Palmolein	352	351	+1
Mumbai RBD Palmolein	362	358	+4
Chennai RBD Palmolein	354	352	+2
Kakinada RBD Palmolein	353	353	0

Soy oil

Soy oil prices appreciated marginally on renewed talks of likely increase in bio-fuel usage owing to increasing prices of crude oil. Also, traders are expecting domestic demand to pick up for the festival season ahead.

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 \$508- 510 per tonne.

The market is expected to open range bound continue positive as the day progresses on Wednesday amidst increased buying.

Soybean oil - Spot Market Price		(Rs. per 10 kg)		
Centres	27.09.05	26.09.05	Change	
Mumbai (Soy ref)	346	342	+4	
Indore (Soy Ref oil)	360	357	+3	
Indore (Soy Solvent Ex. oil)	338	337	+1	
Kota (Soy Ref. Oil)	363	364	-1	
Jaipur (Soy Ref. Oil)	364	365	-1	

NBOT Soy oil futures as on 27.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	363.4	363	365.6	363	+1.4	364.8	33530
Nov '05	364.1	364	367.1	363.9	+1.8	365.9	11890
Dec '05	0	N.A	N.A	N.A	0	N.A	N.A

NCDEX Soy oil futures as on 27.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	364.20	364.50	365.90	362.10	365.15	8930	22080
Nov '05	362.65	361.70	365.40	361.05	365.05	10620	25980
Dec '05	363.05	363.35	365.45	362.20	365.15	1150	1820

Rape oil

There were reports of NAFED selling mustard seed at Rs 1655 per qtl in some areas of Rajasthan. According to traders, there is good carry-over stock of mustard. According to traders, government agencies have possession of 21 lakh ton, while farmers, traders and stockists collectively are holding around 15 lakh ton. Since the prices of soyoil is very competitive against rape oil. So, consumers are switching to Soyoil. Traders believe that immediate firmness in the market is momentary and its prices are likely to move downward in near term.

Rape oil - Spot Market Price		(Rs. per 10 kg)		
Centres	27.09.05	26.09.05	Change	
Mumbai (Rape Expeller Oil)	393	395	-2	
Kota (Rape Expeller Oil)	375	374	+1	
Jaipur (Rape Expeller Oil)	372	370	+2	
Neewai (Kacchi Ghani Rape Oil)	-	380		
Delhi (Rape Expeller Oil)	397	395	+2	

Groundnut oil

Harvest of groundnut has started in Karnataka. Arrivals in Chitradurga were reported at 20,000 bags. Harvest in Gujarat is to start with in a week or so, while harvest in Andhra Pradesh will commence within a fortnight. Traders are expecting crop this season in Gujarat alone to reach at around 22 lakh ton. Traders are expecting prices to hover high owing to continued customary demand for festivals. Prices for the same are likely to ease after Dusshera.

The domestic market is expected to appreciate marginally on Wednesday.

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

Centres	27.09.05	26.09.05	Change
Mumbai (Excluding VAT)	498	500	-2
Rajkot	520	520	0
Andhra Region	500	500	0
Chennai	-	500	-

LATEST WEATHER WATCH (27.09.2005)

Weather Forecast

During last 24 hours, scattered light to moderate rainfall has occurred over Sub-Himalayan west Bengal & Sikkim. Isolated light rainfall has also occurred over northeastern States, Western Himalayas and south peninsula.

Mainly dry weather prevailed over northwest India and central India.

The circulation features suggest that the southwest monsoon is likely to withdraw from parts of Rajasthan, Punjab, Haryana and Jammu & Kashmir during next 48 hours.

An upper air cyclonic circulation over extending between 2.1 and 3.1 km a.s.l. lies over Saurashtra & Kutch and adjoining southeast Pakistan.

The cyclonic circulation over north Bay of Bengal persists extending between 2.1 and 3.6 km a.s.l. A north-south trough runs from Sikkim to center of above circulation.

The western disturbance as an upper air system and the trough in westerlies have moved away northeastwards.

Forecast Valid For Next 72 Hours

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

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands and isolated in the rest region outside Telangana and Rayalaseema where weather may be mainly dry. Increase in rainfall activity over coastal Andhra Pradesh and Tamil Nadu after 48 hrs.

WEST: Isolated rain/thundershowers likely over Konkan & Goa, Madhya Maharashtra and Gujarat. Mainly dry weather is likely in the rest region.

Warning

Isolated heavy rainfall likely over Andaman & Nicobar Islands and Sub-Himalayan West Bengal & Sikkim.

Outlook For The Next Two Days

Slight increase in rainfall is likely over east coast and south peninsula.

PORT-WATCH (Latest)

Delivery of 4,750 MT of CPO is continuing at Kandla Port from the vessel 'Spring Wind'. The cargo was loaded from Dumai. The vessel is being handled by Interocean agents. 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.

'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. 'Seven Island' has berthed at the port and continues to

discharge 3,500 MT of CPO. Atlantic agents is handling the vessel.

Cochin Port is receiving 5,899 MT of palm oil from the vessel 'Cheras'. Seaport agents is handling the vessel.

JN Port is receiving 8,000 MT of SBO from the vessel 'Bryggen'. The cargo was loaded from Argentina. Interocean agents is handling the vessel.

'Vernal Grace' has berthed at Kakkinada Port and continues to discharge 6,000 MT of CPO.

'Eatarn 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 27.09.2005)		
Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.96
Malaysia	Ringgit	11.69
European Union	Euro	52.81
United Kingdom	GBP	77.60
Japan	100 Yen	38.85

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	Arrived
Kolkata	MMM Houston	6000	CPO	Arrived
	Seven Island	3500	CPO	Arrived
Mumbai	Eastern Amenity	8520	Palm oil	Arrival
JN	Storm	6000	SBO	Arrived
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.