

VEGOIL

17th September 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Lowered Further on Increased Speculative Selling
- South American Soybean Improved Marginally on Unsteady US Market
- Soybean Oil Prices significantly on Increased Speculative Selling

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

The October contract closed at 363.95, which is lower from yesterday's close. Bears still dominated the soybean oil market. After the reduction of the Import Duty, the market fell significantly as the speculative selling increased gradually.

The 7-day MA progressed further down along with the 14-day MA hinting to the weakness in the price trends.

MACD continued lower with a declining slope indicating the existing weakness in the market.

The 9-days Price ROC improved marginally to -1.874 (pointing downward) indicating the declining sentiments in the prices. The 9-day RSI, on the other hand continued further lower in the neutral region to a level of 31.78 supporting the declining sentiments in the market prices.

The % K-line dipped lower entering the oversold region hinting to the increasing weakness along with the % D-Line, which moved down indicating the overall weakness in the prices.

The candlestick is hinting at the weak opening and lower trade for Monday.

Market advice:

Market is expected to open weak and continue lower for Monday amidst increased speculative selling

Selling with short-term outlook would yield profit

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Oct' '05	361.90	360.40	363.40	364.50
NCDEX	Oct' '05	363.30	362.10	364.30	365.10

Abbreviations:

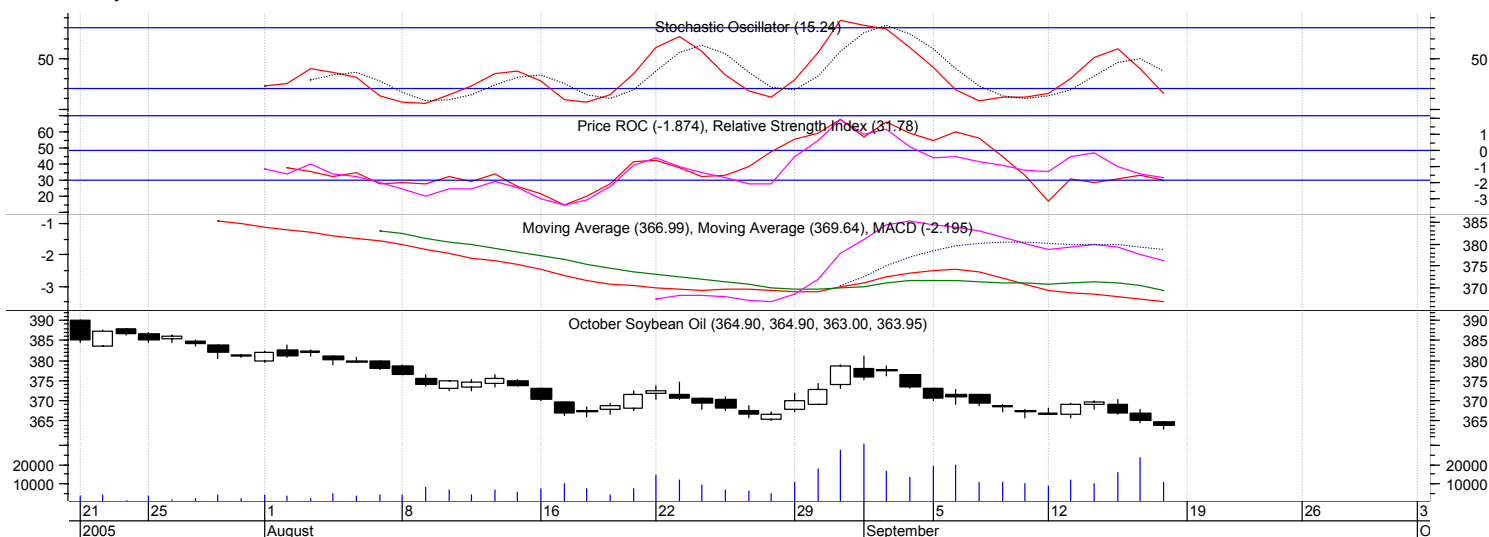
ROC - Rate of Change

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):

Rains in the forecast for Sunday/Monday in some Midwest locations could slow harvest pressures early next week and may have helped support the bounce.

Taiwan bought 15,000 tonnes of US soybeans overnight and there is still talk that China may have booked 3-4 cargoes this week. However, new crop export sales are still lagging. Cumulative sales have reached 15.1% of the USDA forecast for the season as compared to 24.8% on average over the last five years.

News that India lowered their base import prices for palm and soyoil was seen as neutral but might help boost demand. The close near the lows is a bearish technical development.

Continuous improvement in the crop weather has increased the prospects of US soybean crop.

CBOT Soy oil futures as 16.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.13	22.20	22.20	21.95	-0.17	21.96
5-Oct	22.35	22.42	22.45	22.17	-0.17	22.18
5-Dec	22.51	22.65	22.65	22.34	-0.15	22.36
5-Jan	22.65	22.80	22.80	22.50	-0.15	22.50

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

The cheap price in the US combined with the strong basis out of Brazil may have kept Brazil from benefiting much from any crossover demand after the Gulf disaster.

The trend for US soybean remains down and the market still fears cash market pressure as the harvest progresses in the face of a slow export pipeline and informal reports of higher than expected yields from Ohio to Iowa. A wet weather outlook for early next week could support a bounce today.

The US is likely to use 912.5 million pounds of soybean oil in 2005 for bio-diesel production, with much of the usage in the second half of the year. Usage is expected to jump to near 1.97 billion pounds in 2006 and possibly 2.92 billion pounds in 2007.

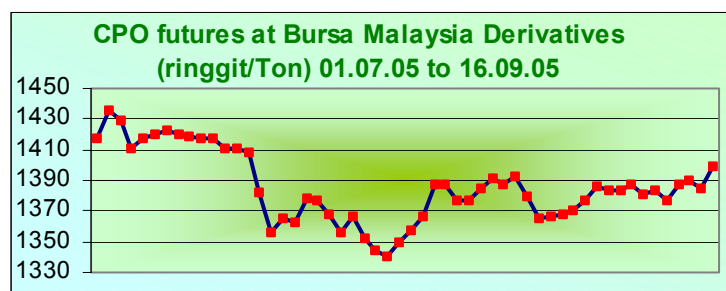
The South American market is expected to open and trade range bound amidst increased uncertainty in the US soybean production and its export demands.

KLCE (Malaysian Palm Oil):

KLCE market remained closed on regular weekend holiday. It will reopen on Monday (19.09.05).

KLCE CPO Futures (16.09.05) (In Ringgit/T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1374	1371	1382	1369	+6	1380	956
Oct '05	1385	1384	1395	1380	+5	1390	1648
Nov '05	1391	1390	1404	1387	+8	1399	3617



Domestic:

Palm oil

The domestic palm oil market traded range bound on the lower side amidst prolonged low retail demand and lowering of tariff duty.

In the month of September, till 17.09.05 the country has imported about 0.50 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 357.50 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 Monday amidst increased rainfall activity in most parts of the country and lower retail demand.

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

Centres	17.09.05	16.09.05	Change
Kandla CPO (5 % FFA)	324	325	-1
Mumbai CPO (5% FFA)	325	325	0
Kandla RBD Palmolein	354	355	-1
Mumbai RBD Palmolein	361	362	-1
Chennai RBD Palmolein	355	355	0
Kakinada RBD Palmolein	354	355	-1

Soy oil

Bears still dominated the soybean oil market. After the reduction of the Import Duty, the market fell significantly as the speculative selling increased enormously. The Import of the edible oil is continuously on the rise, which is consistently pulling down the prices amidst lack of retail demand.

In the month of September, India has imported about 1.42 lakh tonnes of soybean oil till 17.09.05. The Hazir markets traded lower amidst falling prices in the futures market and declining retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 329 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 498 per tonne.

The market is expected to open range bound and trade lower as the day progresses on Monday amidst increased speculative selling. Sell with short-term outlook.

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

Centres	17.09.05	16.09.05	Change
Mumbai (Soy ref)	346	346	0
Indore (Soy Ref oil)	360	362	-2
Indore (Soy Solvent Ex. oil)	337	341	-4
Kota (Soy Ref. Oil)	364	365	-1
Jaipur (Soy Ref. Oil)	368	370	-2

NBOT Soy oil futures as on 17.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	365.20	363.00	363.40	362.50	-2.30	362.90	16410
Nov '05	365.00	N.A	362.40	N.A	-2.60	362.40	N.A
Dec '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 16.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	363.15	363.00	364.10	361.70	362.00	4980	9500
Oct '05	366.95	367.00	367.75	364.55	365.00	23930	26360
Dec '05	366.90	366.50	367.40	364.30	364.70	11860	20140

Rape oil

The rape oil prices continued on the high amidst declining supplies of the mustard seed in the retail market.

Today the mustard arrival was 0.10 lakh bags in Rajasthan. Heavy rains in most parts of MP Rajasthan and Maharashtra has led to increased uncertainty in the mustard oil markets.

The rapeseed exchange market of Delhi, Hissar, Hapur and the Bikaner traded range bound on the positive side amidst declining support in retail demand.

The rape market is expected to continue range bound on the lower side on Monday. Sell with short-term outlook.

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

Centres	17.09.05	16.09.05	Change
Mumbai (Rape Expeller Oil)	398	395	+3
Kota (Rape Expeller Oil)	380	376	+4
Jaipur (Rape Expeller Oil)	380	378	+2
Neewai (Kacchi Ghani Rape Oil)	388	384	+4
Delhi (Rape Expeller Oil)	396	394	+2

Groundnut oil

The groundnut market continued improving marginally in the western markets amidst heavy rains and declining supplies, but declined in the southern market owing to declining retail demand.

The Visarjan ceremony of Ganesh Chaturthi, in Maharashtra limited the trade activity to the minimum in the western markets.

The sharp increase in the imports to about 2.15 lakh tonnes (till 17.09.2005) is pressuring the market and not allowing the price to improve significantly.

The domestic market is expected to continue trading range bound on Monday amidst increased rains expected in the near days and declining supplies of groundnut seeds.

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

Centres	17.09.05	16.09.05	Change
Mumbai (Excluding VAT)	520	515	+5
Rajkot	540	545	-5
Andhra Region	510	505	+5
Chennai	515	514	+1

LATEST WEATHER WATCH (17.09.2005)**Weather Forecast**

During past 24 hours, widespread rains with isolated heavy falls have occurred over Uttar Pradesh, Haryana, Delhi, Uttaranchal, Gujarat, Konkan & Goa, and Andaman & Nicobar Islands. Chief amounts of rainfall recorded (in cms) are: Bareilly-27, Pantnagar-17, Bahraich-12, Ayodhya-11, Port Blair, Mahabaleshwar & Mandi-8 each, Haridwar-7, Delhi (Safdarjung), Chandigarh & Baroda-6 each, Tehri, Delhi (Palam) & Ambala-5 each, Dahanu, Porbander, Dwarka & Gorakhpur-4 each.

Yesterday's depression over southwest Uttar Pradesh has weakened into a low pressure area over West Uttar Pradesh and neighbourhood. Its associated upper air cyclonic circulation extends upto mid-tropospheric levels. Under this scenario the prevailing rainfall activity over plains of northwest India is likely to decrease considerably from today evening. However, enhanced rainfall will continue over Uttaranchal and Himachal Pradesh during next 24 hours.

Yesterday's well marked low pressure area over northeast Arabian Sea has moved northwards and weakened into a low pressure area and now lies over Gujarat state. its associated upper air cyclonic circulation extends upto mid-tropospheric levels. it will cause moderate rains with isolated heavy falls over Gujarat and Konkan & Goa.

The low pressure area over East Central Bay of Bengal has concentrated into a depression and now lies over northeast Bay of Bengal near Lat. 20° N and Long. 90.5° E with its centre about 400 km of southeast of Balasore. The system is likely to intensify further and move in west-northwesterly direction. This may cause heavy to very heavy rainfall over Orissa and Gangetic West Bengal during next 2-3 days.

Forecast Valid For Next 72 Hours

NORTH: Rain/thundershowers likely at many places over Himachal Pradesh, Uttaranchal, Haryana and Uttar Pradesh and a few places in the rest region. Rainfall likely to decrease further over the region from 18th.

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

WEST: Rain/thundershowers likely at many places over Gujarat State, Konkan & Goa, Madhya Maharashtra and East Rajasthan and at a few places over the rest region.

Warning

Isolated heavy to very heavy rainfall likely over Uttar Pradesh, Himachal Pradesh, Uttaranchal, Gangetic West Bengal, Orissa, Konkan & Goa, Gujarat State and Andaman & Nicobar Islands.

Outlook For The Next Two Days

Increase in rainfall over east central and adjoining peninsular India. Further decrease in rainfall activity over Northwest India.

PORT-WATCH (Latest)

Delivery of 9,500 MT of CPO is continuing at Kandla Port from the vessel 'Marine Pioneer'. The cargo was loaded from Indonesia. The vessel is being handled by Interocean agents. Delivery of 22,500 MT of SBO is expected from the vessel 'Integrity' at Kandla Port. The cargo was loaded from Brazil. Interocean agents will be handling the vessel.

JN Port is receiving 13,000 MT of SBO from the vessel 'Bow Maastroom'. The vessel is being handled by Interocean agents.

'Spring Glory' has berthed at Chennai Port and continues to deliver 6,004 MT of palm oil. James Mackintosh agents is handling the vessel. Chennai Port is expecting 'Ace I' to deliver 5,998 MT of CPO. Interocean agents will be handling the vessel. Delivery of 6,000 MT of palm oil is expected at the port from the vessel 'Chem Botima'. The vessel will be handled by Seaport agents.

Kolkatta Port is receiving 10,196 MT of CPO from the vessel 'Isokaze'. Seaport agents is handling the vessel. 'L Star' has berthed at Kolkatta Port and continues to deliver 6,000 MT of CPO. Seaworld agents is handling the vessel.

Delivery of 8,550 MT of CPO is continuing at New Mangalore Port from the vessel 'Global Venus'. Patvolk agents is handling the vessel.

Kakinada Port is receiving 5,000 MT of SBO from the vessel 'Stolt Guardian'. 'MMM Jackson' delivered 6,000 MT of CPO at Kakinada Port and sailed off.

Mundra Port is expecting 'Gemini' to discharge 10,257 MT of CPO. Patvolk agents will be handling the vessel.

Delivery of 3,000 MT of palm oil is expected at Cochin Port from the vessel 'MMM Kingston'. GAC agents is handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Integrity	22500	SBO	Expected
	Marine Pioneer	9500	CPO	Arrived
Kolkata	L Star	6000	CPO	Arrived
	Isokage	10196	CPO	Arrived
Kakinada	MMM Jackson	6000	CPO	Arrived
	Stolt Guardian	5000	SBO	Arrived
Mundra	Gemini	10257	CPO	Expected
Cochin	MMM Kingston	3000	Palm oil	Expected
JN	Bow Maatroom	13000	SBO	Arrived
New Mangalore	Global Venus	8550	CPO	Arrived
Chennai	Spring Glory	6000	CPO	Arrived
	Ace I	6000	CPO	Expected
	Chem Botima	6000	Palm oil	Expected

Forex Rates

(As on 17.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.91
Malaysia	Ringgit	11.66
European Union	Euro	53.72
United Kingdom	GBP	79.39
Japan	100 Yen	39.43

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