

VEGOIL

24th September 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures End Mostly Up
- South American Soybean Future Continued Higher on Improving Export Prospects
- Soybean Oil Prices Improved on Expectation of Positive Reports Annual SEA Award Function

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

The October contract closed at 364.30, which is significantly higher from yesterday's close. Bears were slightly forced to take the back seat amidst expected of positive support from the globe oil Convention (24 - 25 September 2005.) In spite of the retail support the traders pulled up the market amidst increased buyer's support.

The 7-day MA continued lower along with the 14-day MA hinting to the weakness in the price trends.

MACD improved marginally on increased expectation of positive support in the soybean production figures.

The 9-days Price ROC improved marginally to -1.474 (pointing upward) indicating the changing sentiments in the prices. The 9-day RSI moved further upward marginally towards the end of the session in the neutral region to a level of 42.55 supporting the improving sentiments in the market prices.

The % K-line turned up in the neutral hinting to the strength in the prices. The % D-Line also continued improving indicating the improving sentiments in the prices.

The candlestick is hinting at the range bound opening and improving trade for Monday.

Market advice:

Market is expected to open range bound, trade marginally higher in the first session but lower towards the end of the day's session

Buying in the opening session would yield profit, Avoid Carrying the position for the next day, as the market is expected to continue on the downside henceforth

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Oct' '05	362.90	361.70	364.20	365.60
NCDEX	Oct' '05	363.50	362.40	365.80	367.60

Abbreviations:

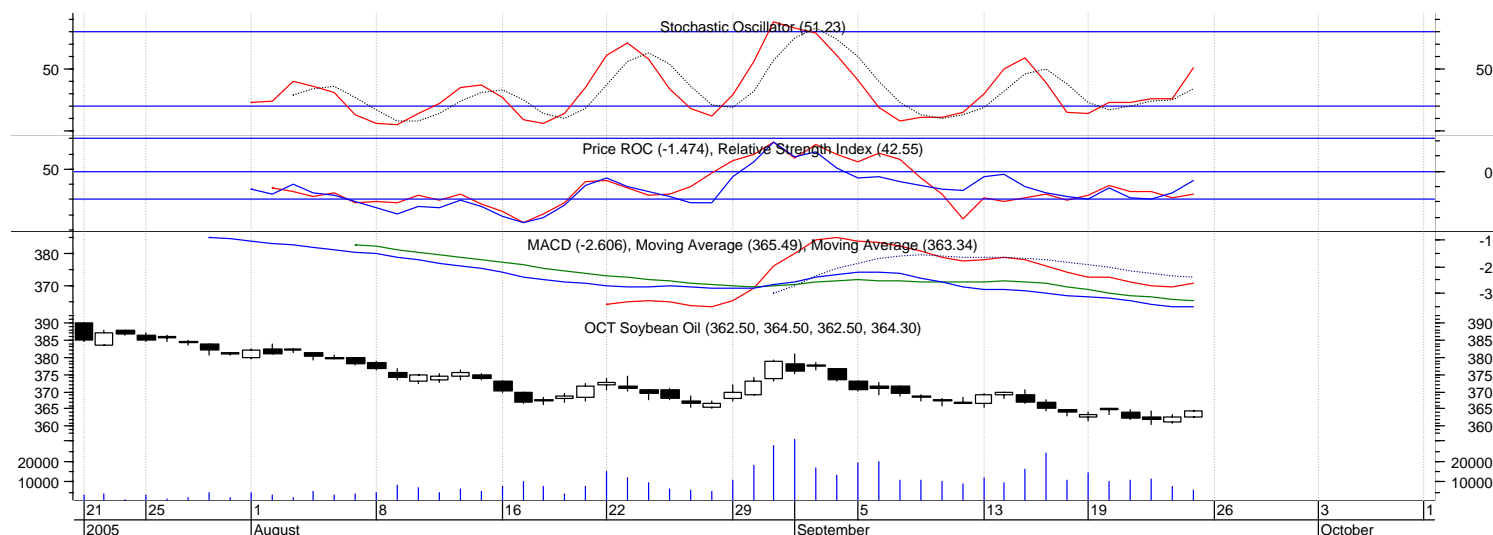
ROC - Rate of Change

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):

Soy futures at Chicago Board of Trade settled down following interrupted shipping from New Orleans port. CBOT November future settled off 6.5 cents at \$5.74 and January off 6.25 cents at \$5.825 per bushel.

CBOT December soy meal future settled off 8 cents at \$174.2 per ton and December soyoil off 41 points at 23.15 cents per pound.

Market opened on firm note on ideas of fresh Chinese buying ahead. However, concern over complications in shipping offset the bullish ideas later.

Some traders were of the view that easterly shift of RITA might cause delay in harvest. However, still the track of storm is uncertain, guesses on likely affect on crop harvest in Midwest might prove phoney.

CBOT Soy oil futures as 23.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	23.32	23.33	23.33	22.87	-0.44	22.88
5-Oct	23.56	23.63	23.63	23.11	-0.41	23.15
5-Dec	23.71	23.72	23.72	23.30	-0.39	23.32
5-Jan	23.85	23.87	23.87	23.45	-0.35	23.50

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

With China buying US soybeans from the Pacific Northwest and the US expected to become even more active at harvest into late next week (with continued talk of bumper yields) the upside looks limited unless there are signs of demand.

Brazil producer selling remains very slow and dryness in some growing regions ahead of planting will likely cause producers to increase their resolve to hold onto stocks. With greater availability of US soybeans, demand for Brazil could continue to weaken.

With some rains in the forecast for the US Midwest and futures in an oversold condition, the US futures could see a short-term bounce, but the outlook for hefty supplies in the weeks just ahead should limit the advance.

The EU-25 oilseed output was pegged at 19.66 million tonnes from 20.13 million tonnes last year and a larger share seems to be moving toward bio-diesel. India winter oilseed production is expected to rise to near 13.04 million tonnes from 12.36 million tonnes according to a leading trade organization.

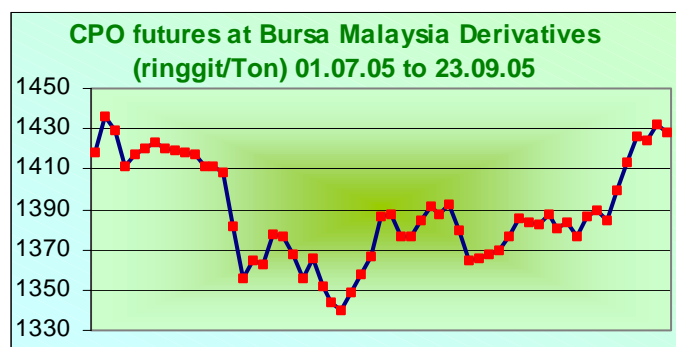
The weather and surging energy market could help the market correct the overbought condition, but it is probably too early in the harvest season to believe that the market has fully absorbed the hefty crop.

KLCE (Malaysian Palm Oil):

KLCE market remained closed on regular weekend holiday. It will reopen on Monday (26.09.05).

KLCE CPO Futures (23.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1426	1420	1422	1415	-5	1421	234
Oct '05	1430	1428	1432	1424	-6	1424	895
Nov '05	1432	1435	1437	1428	-4	1428	2609



Domestic:

Palm oil

The domestic palm oil market today traded range bound on the lower side amidst increased uncertainty in the other edible oil markets and declining support from the international markets.

In the month of September, till 24.09.05 the country has imported about 1.23 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 367.50 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 Monday on the lower side amidst continuing lower retail demand.

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

Centres	24.09.05	23.09.05	Change
Kandla CPO (5 % FFA)	321	324	-3
Mumbai CPO (5% FFA)	323	324	-1
Kandla RBD Palmolein	350	350	0
Mumbai RBD Palmolein	358	358	0
Chennai RBD Palmolein	351	352	-1
Kakinada RBD Palmolein	350	350	0

Soy oil

The oil market improved significantly towards the end of the day amidst support from the firm trading for the most of the day on increased speculative buying.

In the month of September, India has imported about 1.45 lakh tonnes of soybean oil till 24.09.05. The Hazir markets traded marginally positive amidst uncertain prices at the futures market and declining retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 321 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 512 per tonne.

The market is expected to open range bound and trade positive as the day progresses on Monday amidst increased speculative buying. Buy with very short-term outlook at the opening prices.

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

Centres	24.09.05	23.09.05	Change
Mumbai (Soy ref)	344	342	+2
Indore (Soy Ref oil)	357	356	+1
Indore (Soy Solvent Ex. oil)	338	338	0
Kota (Soy Ref. Oil)	365	364	+1
Jaipur (Soy Ref. Oil)	367	365	+2

NBOT Soy oil futures as on 24.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	361.30	361.90	363.50	361.80	+2.20	363.50	16350
Nov '05	359.40	360.00	362.40	360.00	+2.90	362.30	1820
Dec '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 23.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	361.90	361.10	363.30	361.00	362.60	7740	23600
Nov '05	359.90	359.05	361.50	359.05	360.55	8820	26410
Dec '05	361.00	361.00	362.70	360.05	360.50	1010	1110

Rape oil

The rape oil prices improved marginally amidst heavy rains in the most parts of Northern, Western and Central parts of the country.

Today the mustard arrival was 0.12 lakh bags in Rajasthan. The rapeseed exchange market of Delhi, Hissar, Hapur and the Bikaner traded marginally up amidst support from the rising futures in the soybean oil trade.

The rape market is expected to continue range bound on Monday. Short-term investors should stay from the market.

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

Centres	24.09.05	23.09.05	Change
Mumbai (Rape Expeller Oil)	395	395	0
Kota (Rape Expeller Oil)	370	374	-4
Jaipur (Rape Expeller Oil)	372	374	-2
Neewai (Kacchi Ghani Rape Oil)	378	380	-2
Delhi (Rape Expeller Oil)	390	390	0

Groundnut oil

The groundnut market trade lower in most of the markets amidst increased uncertainty in supplies in the edible oil markets and heavy rains in major growing areas of Gujarat and Maharashtra. The lack of retail demand is still the major concerns for the unsteady and weakening of prices.

The sharp increase in the imports to about 2.69 lakh tonnes (till 24.09.2005) 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 low retail off take.

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

Centres	24.09.05	23.09.05	Change
Mumbai (Excluding VAT)	495	500	-5
Rajkot	525	530	-5
Andhra Region	495	500	-5
Chennai	498	505	-7

LATEST WEATHER WATCH (24.09.2005)**Weather Forecast**

During last 24 hours, widespread rain with heavy to very heavy falls have occurred over Gujarat region. Fairly widespread rain with isolated heavy falls also occurred over Konkan & Goa,

Madhya Maharashtra, southeast Rajasthan and Haryana. Scattered moderate rainfall also occurred over west Madhya Pradesh, Punjab, Himachal Pradesh, Uttaranchal, Telangana and Northeastern states. Chief amounts of rainfall (cms): Dholka (Gujarat) -17, Gandhi Nagar - 14, Ahmedabad - 12, Goa -12, Bhira - 10, Mahabaleshwar, North Lakhimpur and Deesa- 8 each, Udaipur, Karnal & Panaji - 7 each, Ambala & Dehradun-5 each and Kota - 4.

Yesterday's low pressure area over southeast Rajasthan, adjoining Gujarat and southwest Madhya Pradesh moved north-northeastwards and now lies over northeast Rajasthan and adjoining northwest Madhya Pradesh. The associated upper air cyclonic circulation extends upto 4.5 km a.s.l.. The system is likely to move northeastwards and weaken further.

Yesterday's western disturbance as an upper air system extending upto 3.1 km a.s.l. over north Pakistan now lies over Jammu & Kashmir and neighbourhood with a deep westerly trough aloft along longitude 720 East and north of latitude 200 North.

Under this scenario of interaction of the above system, rainfall activity is likely to enhance with heavy to very heavy falls at a few places over Himachal Pradesh, Uttaranchal, West Uttar Pradesh, East Rajasthan, Haryana, Delhi and Northwest Madhya Pradesh during next 48 hours. This rainfall activity will decrease subsequently. Also the ongoing heavy rainfall activity over Gujarat region and Konkan & Goa is likely to decrease considerably during next 24 hours.

Forecast Valid For Next 72 Hours

NORTH: Rain/thundershowers likely at most places over Himachal Pradesh and Uttaranchal and at many places over Delhi, Haryana and west Uttar Pradesh and at a few places in the rest region. Rainfall activity is likely to increase over Uttar Pradesh from 25th

SOUTH: Rain/thundershowers likely at a few places over Coastal Karnataka and North Coastal Andhra Pradesh. It may be isolated in the rest region.

WEST: Rain/thundershowers likely at many places over Konkan & Goa, west Madhya Pradesh, east Rajasthan and Gujarat region; at a few places over the rest region. Rainfall activity is likely to decrease over Gujarat region and Konkan & Goa from 25th

Warning

Heavy to very heavy rainfall likely at a few places over Himachal Pradesh, Uttaranchal, West Uttar Pradesh, East Rajasthan, Haryana, Delhi and Northwest Madhya Pradesh. Isolated heavy falls also likely over Gujarat region and Konkan & Goa only during next 24 hours.

Outlook For The Next Two Days

Decrease in rainfall activity over western Himalayan Region, adjoining plains and west central India.

Slight increase in rainfall over Bihar, Jharkhand, North-eastern States and along the east coast.

PORT-WATCH (Latest)

Delivery of 6,000 MT of palm oil is continuing at Chennai Port from the vessel 'Chem Bothmia'. Seaport 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.

'Spring Wind' from Dumai has berthed at Mumbai Port and continues to discharge 2,505 MT of palm oil. Interocean agents is 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. Delivery of 4,750 MT of CPO is expected at Kandla Port from the vessel 'Spring Wind'. The cargo was loaded from Dumai. The vessel will be handled by Interocean agents. 'Global Eos' from Malaysia is expected at the port to discharge 5,500 MT of CPO. Forbes Gokak 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.

Kolkata Port is expecting 'MMM Houston' to deliver 6,000 MT of CPO. The vessel will be handled by Seaport agents.

JN Port is expecting 'Storm' to deliver 6,000 MT of SBO.

New Mangalore Port is expecting 'Bumik' to discharge 6,500 MT of CPO. The vessel will be handled by Interocean agents.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Azteca	5650	SBO	Expected
	Spring Wind	4750	SBO	Expected
	Global Eos	5500	CPO	Expected
	Bryggen	8000	SBO	Arrived
Kolkata	MMM Houston	6000	CPO	Expected
Mumbai	Spring Wind	2505	Palm oil	Arrived
JN	Storm	6000	SBO	Expected
Chennai	Ace I	6000	CPO	Expected
	Chem Botima	6000	Palm oil	Arrived
New Mangalore	Bumik	6500	CPO	Expected

Forex Rates

(As on 24.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.95
Malaysia	Ringgit	11.65
European Union	Euro	52.95
United Kingdom	GBP	78.14
Japan	100 Yen	39.10

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