

VEGOIL

06th September 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Traded Range Bound on Declining Volume Support
- Soybean Oil Prices Traded Further Lower Amidst Good Rains in Madhya Pradesh

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX September Contract

The September contract closed at 366.60, which is marginally lower from yesterday's close. Market opened firm but was pressured extensively by the sellers. It traded lower for most of the day, but witnessed marginal correction towards the end of the day.

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

Currently the MACD moved further lower with a declining slope indicating the existence of weakness in the market.

The 9-days Price ROC improved marginally -0.4886 (pointing upward) indicating the stability of the prices in the market prices. The 9-day RSI continued lower in the neutral region to a level of 39.44 supporting the declining strength in the prices.

The % K-line continued down in the neutral region supporting the declining trend along with the % D-Line.

The candlestick is hinting at the steady opening and range bound trade for Thursday.

Market advice:

Market is expected to open steady and trade positive for Thursday, as the market would be closed on Wednesday on the occasion of Ganesh Chaturthi.

Buying with short term outlook would yield profit

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Sept' '05	364.20	363.50	366.90	367.80
NCDEX	Sept' '05	365.20	364.40	369.10	370.40

Abbreviations:

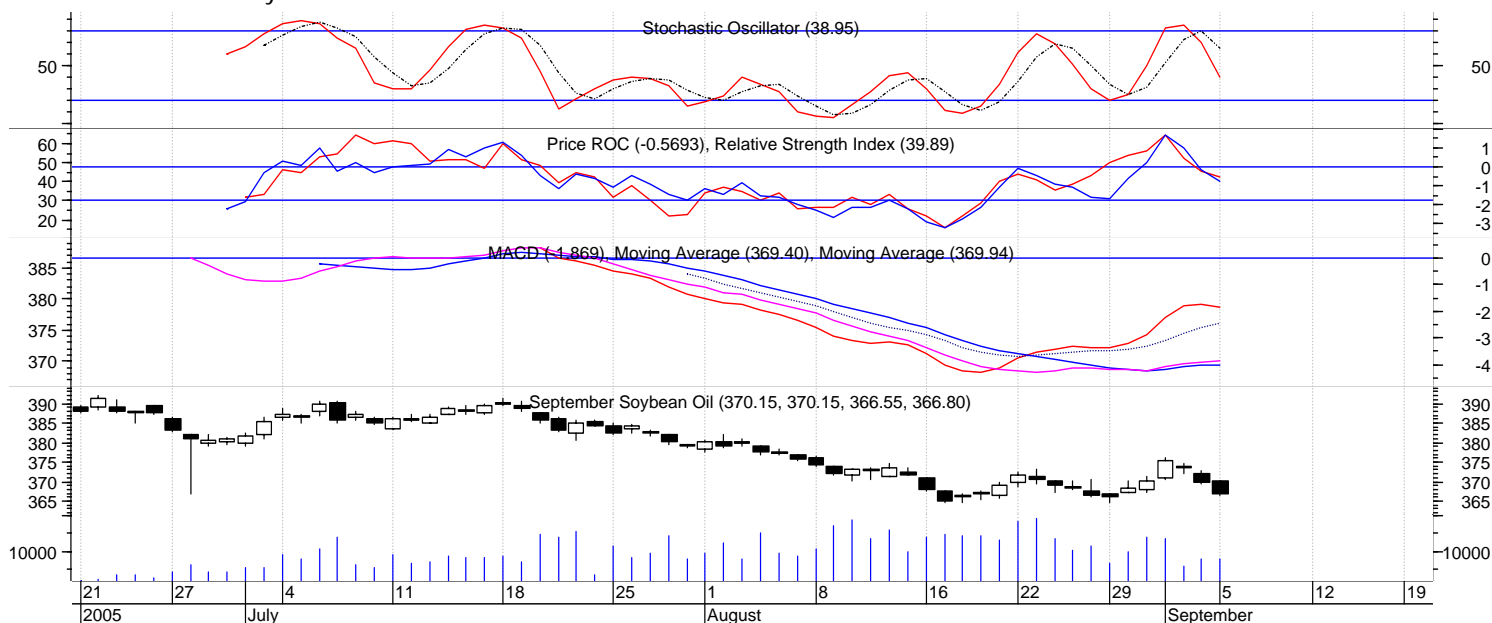
ROC - Rate of Change

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 Tuesday's evening (06.09.05), as today the CBOT is closed on Labour Day.

CBOT Soy oil futures as 02.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.82	22.88	22.88	22.45	-0.29	22.53
5-Oct	22.99	23.00	23.00	22.55	-0.32	22.67
5-Dec	23.30	23.25	23.25	22.81	-0.43	22.87
5-Jan	23.45	23.42	23.42	23.05	-0.40	23.05

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 Tuesday evening (06.09.05).

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended marginally lower after a lacklustre, range-bound trading day Monday as market participants stayed on the sidelines, awaiting fresh supply and demand indicators and the reopening of the U.S. soybean market.

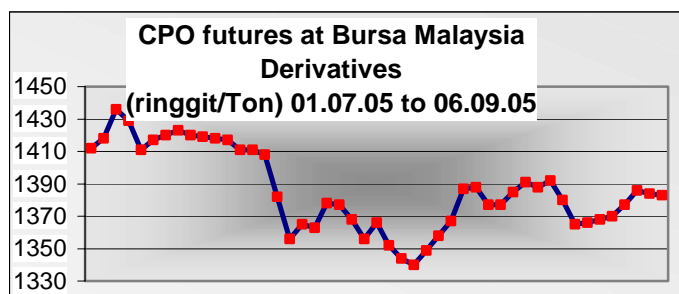
Speculative trading linked to the weakness of the Indonesian rupiah, which touched four-year lows last week, has also eased, as the currency has since become more stable.

The Malaysian Palm Oil Board is due to issue official August supply and demand data Sept. 12. The same day, cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd are scheduled to release Oct. 1-10 Malaysian palm oil export estimates. Also that day, the U.S. Department of Agriculture is expected to issue its latest monthly report, which will include 2005 U.S. soybean production projections.

With no new supply and demand data for palm oil due this week, the market is unlikely to break out of its range-trading mode. In the Malaysian cash market activity was subdued, with trading limited to some covering interest for nearby deliveries.

KLCE CPO Futures (06.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1367	1370	1371	1365	0	1367	293
Oct '05	1379	1384	1384	1374	-1	1378	273
Nov '05	1384	1386	1389	1378	-1	1383	1129



Domestic:

Palm oil

The domestic palm oil market today declined marginally amidst low retail demand and increased uncertainty in other edible oil markets.

In the month of September, till 06.09.05 the country has imported about 0.32 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 Wednesday amidst low retail demand.

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

Centres	06.09.05	05.09.05	Change
Kandla CPO (5 % FFA)	325	326	-1
Mumbai CPO (5% FFA)	326	328	-2
Kandla RBD Palmolein	358	361	-3
Mumbai RBD Palmolein	364	365	-1
Chennai RBD Palmolein	355	355	0
Kakinada RBD Palmolein	355	356	-1

Soy oil

The domestic market dipped further lower amidst continued speculative selling and low retail demand.

In the month of September, India has imported about 0.56 lakh tonnes of soybean oil till 6.09.05. The Hazir markets declined marginally seeing the uncertain retail market and declining retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 331 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 505 per tonne.

The market is expected to open weak but trade range bound as the day progresses on Thursday. Do not make fresh entry and stay short.

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

Centres	06.09.05	05.09.05	Change
Mumbai (Soy ref)	351	350	+1
Indore (Soy Ref oil)	364	368	-4
Indore (Soy Solvent Ex. oil)	341	345	-4
Kota (Soy Ref. Oil)	368	372	-4
Jaipur (Soy Ref. Oil)	372	374	-2

NBOT Soy oil futures as on 06.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	365.70	366.50	366.60	364.30	-0.90	364.80	5120
Oct '05	371.20	371.50	372.70	369.20	-1.10	370.10	26560
Nov '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 03.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	369.90	369.40	370.15	366.55	366.85	10150	18980
Oct '05	373.50	373.05	373.15	370.15	370.55	19000	26430
Dec '05	374.05	372.50	374.15	370.65	371.00	6100	13810

Rape oil

The rape oil prices traded range bound in the soybean oil futures in both spot and futures market.

Today the mustard arrival was 0.12-0.13 lakh bags in Rajasthan; the added arrival was owing to the NAFED, which has started selling of the rapeseeds in four markets of Rajasthan and Haryana in the price range of Rs.1650-1680.

The rape oil exchange market of Delhi, Hissar, Hapur and the Bikaner closed lower amidst continuous decline in buyers' support.

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

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

Centres	06.09.05	05.09.05	Change
Mumbai (Rape Expeller Oil)	400	400	0
Kota (Rape Expeller Oil)	380	382	-2
Jaipur (Rape Expeller Oil)	380	383	-3
Neewai (Kacchi Ghani Rape Oil)	398	400	-2
Delhi (Rape Expeller Oil)	402	400	+2

Groundnut oil

The groundnut market declined marginally on growing uncertainty in the retail market and significant decline in the other edible oil futures.

The rains in most parts of Maharashtra groundnut growing areas pulled down the sentiments marginally.

The domestic market is expected to continue trading range bound on Wednesday amidst expected increased demand.

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

Centres	06.09.05	05.09.05	Change
Mumbai (Excluding VAT)	510	515	-5
Rajkot	520	530	-10
Andhra Region	520	518	+2
Chennai	522	520	+2

LATEST WEATHER WATCH (06.09.2005)**Weather Forecast**

During last 24 hours, light to moderate fairly widespread rains have occurred over Tamil Nadu & Pondicherry, Coastal Andhra Pradesh, Rayalaseema, Coastal Karnataka, Kerala, Lakshadweep, Konkan & Goa, Madhya Maharashtra, East Uttar Pradesh, Bihar, northeastern States.

The rainfall (in cms.) are: Agathi-6, Shirali, Amini Divi, Nasik, Karwar -4 each. Under the influence of upper air cyclonic circulation over southwest Bay of Bengal, a low pressure area has formed over central parts of south Bay of Bengal. Associated cyclonic circulation extends upto mid-tropospheric levels tilting southwestwards with height. It is likely to move in a northwesterly direction and become more marked.

Under the influence of this system, the rainfall activity over Andhra Pradesh and Tamil Nadu is likely to increase after 7th. A cyclonic circulation lies over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh and extends upto 2.1 Km. a.s.l.

Yesterday's upper air cyclonic circulation over North Interior Karnataka and neighbourhood now lies over Konkan & Goa and adjoining east central Arabian Sea and extends upto 4.5 km a.s.l.

Forecast Valid For Next 72 Hours

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Northeastern States, Sub-Himalayan West Bengal & Sikkim, Bihar, Uttar Pradesh, Konkan & Goa, Coastal Karnataka, Coastal Tamil Nadu & Pondicherry, Kerala and Lakshadweep; at a few places over rest regions of the country outside Haryana, Punjab, Jammu & Kashmir, Rajasthan, Gujarat State, Marathwada and Vidarbha where it may be isolated.

NORTH: Rain/thundershowers likely at many places over Uttaranchal; at a few places over Uttar Pradesh and isolated in the rest region.

SOUTH: Rain/thundershowers likely at many places over coastal Tamil Nadu, Coastal Karnataka, Kerala and Lakshadweep and at a few places in the rest region. Reduction of the rainfall over Karnataka, Kerala and Lakshadweep on 7th while increase of rainfall over Tamil Nadu and Coastal Andhra Pradesh from 7th.

WEST: Rain/thundershowers likely at many places over Konkan and Goa and at a few places over Madhya Maharashtra and West Madhya Pradesh and isolated in the rest region.

Warning

Isolated heavy rainfall likely over Sub-Himalayan West Bengal & Sikkim, coastal Tamil Nadu, Coastal Karnataka, Kerala and Lakshadweep.

Outlook For The Next Two Days

Rainfall activity is likely to increase over Peninsular India.

PORT-WATCH (Latest)

Delivery of 4,500 MT of CPO is continuing at Kandla Port from the vessel 'Global Eos'. The cargo was loaded from Indonesia. Forbes Gokak 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 is expected at the port to discharge 8,000 MT of CPO. JM Baxi agents will be handling the vessel. The port is expecting 'Victory Prima' from Padang to deliver 9,475 MT of palm oil. The vessel will be handled by JM Baxi agents. Delivery of 13,250 MT of SBO is expected at the port from the vessel 'Biz'. The cargo was loaded from Argentina. Interocean agents will be handling the vessel.

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

Kakinada Port is receiving 2,000 MT of CPO from the vessel 'Spring Glory'. The port is expecting 'Golden Crane' to deliver 6,000 MT of CPO.

Delivery of 19,000 MT of SBO is continuing at JNPT from the vessel 'Commuter'. The cargo was loaded from Brazil. Interocean agents is handling the vessel.

Cochin Port is receiving 3,000 MT of palm oil from the vessel 'Eastern Eminity'. The vessel is being handled by GAC agents. The port is expecting 'Ace I' to discharge 6,000 MT of palm oil. Mega Freight agents will be handling the vessel.

'Global Venus' has berthed at New Mangalore Port and continues to discharge 8,500 1MT of CPO. Patvolk agents is handling the vessel. Delivery of 40,600 MT of SBO is continuing at New Mangalore Port from the vessel 'Felicity'. Interocean is handling the vessel.

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

'Gulf Dove' is expected at Chennai Port to deliver 6,000 MT of SBO. JM Baxi will be handling 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.

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

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Champion Vincita	19000	SBO	Expected
	Global Eos	4500	CPO	Arrived
	Pacific Sound	7700	Palm oil	Arrived
	Golden Express	8000	CPO	Expected
	Victory Prima	9475	Palm oil	Expected
	Biz	13250	SBO	Expected
Mumbai	Pacific Sound	6747	CPO	Expected
Kolkata	Star Orion	6000	CPO	Arrived
	Ocean Ace	6000	CPO	Expected
Kakinada	Spring Glory	2000	CPO	Arrived
	Golden Crane	6000	CPO	Expected
Chennai	Gulf Dove	6000	SBO	Expected
	Ace I	6000	Palm oil	Expected
Tuticorin	Siam Bhavas	6000	CPO	Arrived
Cochin	Eastern Eminity	3000	Palm oil	Arrived
	Ace I	6000	Palm oil	Expected
Mundra	Vernal Grace	6000	CPO	Expected
JN	Commuter	19000	SBO	Arrived
New Mangalore	Global Venus	8500	CPO	Arrived
	Felicity	40600	SBO	Arrived

Forex Rates

(As on 06.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.86
Malaysia	Ringgit	11.68
European Union	Euro	54.78
United Kingdom	GBP	80.69
Japan	100 Yen	40.09

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