

VEGOIL

19th September 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Improved Significantly on Increased Speculative Buying
- Soybean Oil Prices Traded Further Lower Amidst Increased Speculative Trading

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX October Contract

The October contract closed at 363.40, which is marginally 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 lower along with the 14-day MA hinting to the weakness in the price trends.

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

The 9-days Price ROC improved marginally to -1.624 (pointing downward) indicating the declining sentiments in the prices. The 9-day RSI also continued marginally lower in the neutral region to a level of 30.57 supporting the declining sentiments in the market prices.

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

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

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	362.00	361.00	364.30	365.10

Abbreviations:

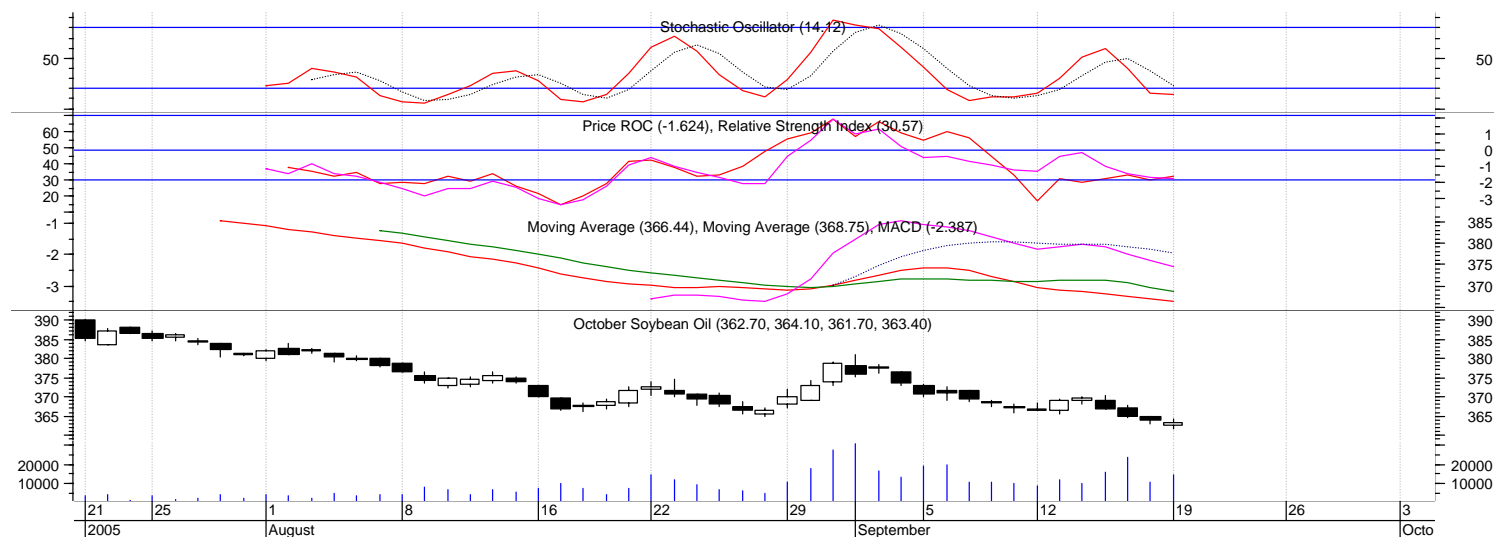
ROC - Rate of Change

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):

CBOT remained closed during the weekend holiday. Market will reopen on Monday's evening (19.09.05).

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

South American Soybean Market trend at CBOT remained closed during the weekend holiday. Market will reopen on Monday's evening (19.09.05).

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended higher Monday in a continuation of an upsurge that traders said have been mostly fueled by technical and speculative factors.

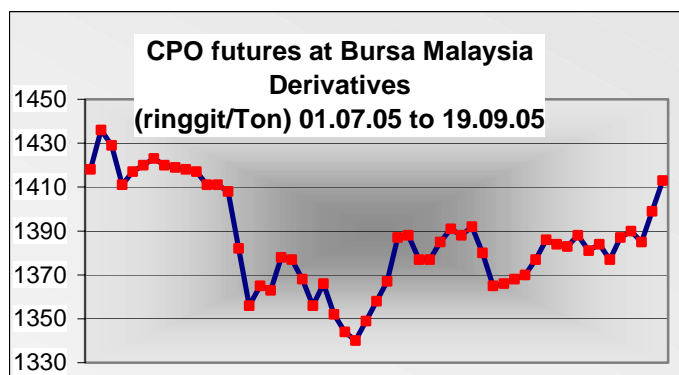
The market's rise has more to do with technicals. Some important resistance levels broke, so people just came in to buy as a precaution and shorts have also been forced to cover to cut their losses.

There's not much excitement in the physical market. Buyers are content to buy only for the nearby requirements and not really getting aggressive. There is speculation that Malaysian palm oil exports may reach 800,000-820,000 tons in the Sept. 1-20 period. In the Aug. 1-20 period, exports were around 720,000-750,000 tons.

Cargo surveyors SGS (Malaysia) Bhd and Intertek Agri Services are due to issue the Sept. 1-20 estimates Tuesday. In the Malaysian cash market, palm oil products were slightly higher, but buying interest remained slow.

KLCE CPO Futures (19.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1379	1385	1400	1384	+21	1400	876
Oct '05	1390	1396	1409	1391	+18	1408	2278
Nov '05	1399	1402	1415	1396	+14	1413	3697



Domestic:

Palm oil

The domestic palm oil market continued range bound on the lower side amidst prolonged low retail demand increased uncertainty in the other edible oil markets.

In the month of September, till 19.09.05 the country has imported about 1.00 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 355.50 per tonne and RBD Palmolein at \$ 395.00 per tonne.

The price for palm oil in the market is expected to continue range bound on Tuesday amidst increased rainfall activity in most parts of the country and consistent lower retail demand.

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

Centres	19.09.05	17.09.05	Change
Kandla CPO (5 % FFA)	323	324	-1
Mumbai CPO (5% FFA)	324	325	-1
Kandla RBD Palmolein	353	354	-1
Mumbai RBD Palmolein	361	361	0
Chennai RBD Palmolein	354	355	-1
Kakinada RBD Palmolein	355	354	+1

Soy oil

Bears still dominated the soybean oil market. Towards the end of the day, the market recovered marginally amidst increased speculative buying, as the trade fundamentals are still not supporting the surge in the prices.

In the month of September, India has imported about 1.35 lakh tonnes of soybean oil till 19.09.05. 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 330 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 496 per tonne.

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

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

Centres	19.09.05	17.09.05	Change
Mumbai (Soy ref)	344	346	-2
Indore (Soy Ref oil)	358	360	-2
Indore (Soy Solvent Ex. oil)	336	337	-1
Kota (Soy Ref. Oil)	362	364	-2
Jaipur (Soy Ref. Oil)	367	368	-1

NBOT Soy oil futures as on 19.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	363.00	362.30	363.10	360.90	-0.40	362.60	34560
Nov '05	362.50	361.50	362.20	360.60	-0.30	362.20	1550
Dec '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

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

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	362.00	360.50	360.70	359.60	360.10	2800	8150
Oct '05	365.00	364.90	364.90	363.00	363.95	10910	24410
Dec '05	364.70	363.30	363.60	362.40	363.20	5590	20330

Rape oil

The rape oil prices traded on the high amidst increased uncertainty in the other edible oil markets.

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 significantly on the negative side amidst declining support in retail demand.

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

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

Centres	19.09.05	17.09.05	Change
Mumbai (Rape Expeller Oil)	398	398	0
Kota (Rape Expeller Oil)	382	380	+2
Jaipur (Rape Expeller Oil)	381	380	+1
Neewai (Kacchi Ghani Rape Oil)	386	388	-2
Delhi (Rape Expeller Oil)	395	396	-1

Groundnut oil

The groundnut market declined marginally as the new crops started arriving in the market.

The lack of retail demand is still the major concerns for the unsteady of prices.

The sharp increase in the imports to about 2.36 lakh tonnes (till 19.09.2005) is pressuring the market and not allowing the price to improve significantly.

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

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

Centres	19.09.05	17.09.05	Change
Mumbai (Excluding VAT)	515	520	-5
Rajkot	525	540	-15
Andhra Region	515	510	+5
Chennai	515	515	0

LATEST WEATHER WATCH (19.09.2005)**Weather Forecast**

During past 24 hours, fairly widespread rains with heavy to very heavy rainfall have occurred over north Andhra Pradesh-south Orissa coasts and south Chhattisgarh. Light to moderate scattered rainfall have also occurred over Andaman & Nicobar Islands, interior Orissa, Konkan & Goa, Telangana, Gujarat Region, Madhya Pradesh, Jharkhand, East Uttar Pradesh, Himachal Pradesh and Uttaranchal. Chief amounts of rainfall recorded (in cms) are: Kalingapatnam-35, Koraput-17,

Visakhapatnam-13, Udaipur-11, Tikabali-10, Nawrangpur-9, Bhubaneswar-7 and Jagdalpur-7.

Yesterday's deep depression over northwest Bay of Bengal moved in a west-southwesterly direction and intensified into a cyclonic storm at 1730 hours IST of yesterday, i.e. 18.09.05, near Lat. 19.5° N/ Long. 86.5° E. It crossed north Andhra Pradesh near Kalingapatnam this morning and lies centered at 0830 hours IST of today near Lat. 18.5° N/ Long. 84.0° E close to Kalingapatnam over land. The system is likely to move in a west-northwesterly direction and weaken gradually. Under its influence widespread rainfall with heavy to very heavy falls at a few places is likely over Coastal Andhra Pradesh, Telangana, south Orissa and south Chhattisgarh during next 24 hours. The belt of heavy rainfall may gradually shift westwards into Maharashtra and North Interior Karnataka.

The upper air cyclonic circulation over Uttaranchal and neighbourhood now lies over Uttaranchal and adjoining Himachal Pradesh and extends upto 3.1 km a.s.l.

The upper air cyclonic circulation over Gujarat state and adjoining south Rajasthan moved westwards and now lies over southeast Pakistan and neighbourhood extending upto 3.1 km a.s.l.

Forecast Valid For Next 72 Hours

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

SOUTH: Rain/thundershowers likely at most places over north Coastal Andhra Pradesh and Telangana; at many places over Andaman & Nicobar Islands and rest Andhra Pradesh; at a few places over Karnataka and Lakshadweep and isolated in the rest region. Rainfall over Karnataka is likely to increase after 24 hours.

WEST: Rain/thundershowers likely at many places over Gujarat Region, West Madhya Pradesh and Maharashtra; at a few places over East Rajasthan and isolated in the rest region. Further increase in rainfall over Maharashtra after 24 hours.

Warning

Heavy to very heavy falls likely at a few places over south Orissa, north Coastal Andhra Pradesh, Telangana and south Chhattisgarh. Isolated heavy rainfall also likely over Gujarat region, Konkan & Goa, Vidarbha, south Coastal Andhra Pradesh, Rayalaseema and Andaman & Nicobar Islands. The heavy rainfall activity over Maharashtra likely to increase after 24 hours.

Squally wind with speed reaching 45-55 kmph likely along and off north Andhra Pradesh-south Orissa coast during next 12 hours.

The state of the sea will be very rough. Fishermen are advised not to venture into the sea for one more day.

Outlook For The Next Two Days

Increase in rainfall is likely over Coastal Karnataka, Maharashtra and south Gujarat.

Rainfall activity over Orissa and Andhra Pradesh is likely to decrease.

PORT-WATCH (Latest)

Mundra Port is receiving 10,257 MT of CPO from the vessel 'Gemini'. Patvolk agents is handling the vessel.

Delivery of 7,000 MT of SBO is continuing at New Mangalore Port from the vessel 'Pacific Sound'. GAC agents is handling the vessel.

Delivery of 4,750 MT of CPO is expected at Kandla Port from the vessel 'Spring Wind'. The vessel will be handled by Interocean

agents. 'Global Eos' is expected at the port to discharge 5,500 MT of CPO. Forbes Gokak agents will be handling the vessel. 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.

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

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Integrity	22500	SBO	Expected
	Spring Wind	4750	SBO	Expected
	Global Eos	5500	CPO	Expected
Kolkata	L Star	6000	CPO	Arrived
	Isokage	10196	CPO	Arrived
Mundra	Gemini	10257	CPO	Arrived
Cochin	MMM Kingston	3000	Palm oil	Expected
New Mangalore	Pacific Sound	7000	SBO	Arrived
Chennai	Ace I	6000	CPO	Expected
	Chem Botima	6000	Palm oil	Expected

Forex Rates

(As on 19.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.90
Malaysia	Ringgit	11.65
European Union	Euro	53.15
United Kingdom	GBP	78.96
Japan	100 Yen	39.32

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.