

VEGOIL

14th September 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Continued Lower on Increased Short Coverings
- South American Soybean Lowered Amidst Expected Hike in Brazilian Soybean Production
- Crude Palm Oil Futures Improved Marginally on Subdued Trading Interest
- Soybean Oil Prices Continued Improving on Increased Buyers Support

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

The October contract closed at 369.70, which is marginally higher from yesterday's close. Market opened range bound but moved higher pressured by the buyers at major exchanges.

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

MACD moved continued up with a declining slope indicating the improving trends in the market, though it is expected to be of very short run.

The 9-days Price ROC lowered marginally to -2.027 (pointing downward) indicating the unsteadiness in the prices. The 9-day RSI continued higher in the neutral region to a level of 46.65 supporting the improvement in the prices.

The % K-line continued higher entering the neutral region hinting to the steadiness along with the % D-Line.

The candlestick is hinting at the firm opening and improved trade for Thursday.

Market advice:

Market is expected to open range bound and trade higher for Thursday amidst heavy rains and increased buyers support at Indore Exchange

Buying with short-term outlook would yield profit

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Oct' '05	367.20	366.60	370.40	371.80
NCDEX	Oct' '05	368.90	367.50	370.90	371.70

Abbreviations:

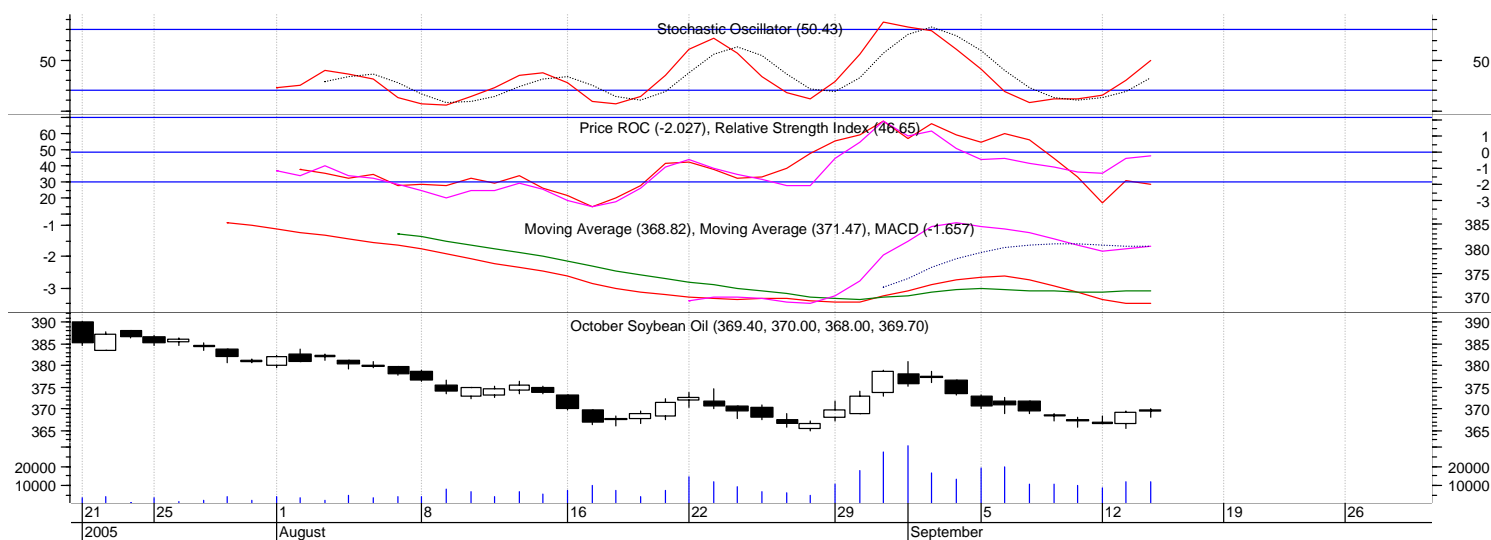
ROC - Rate of Change

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):

The market came under continued long liquidation selling pressure from fund traders and small speculators who are absorbing the bearish supply outlook from the USDA reports yesterday.

With harvest beginning to pick-up, cash basis bids were weak. The weekly crop progress report showed that 54% of the crop was rated in good to excellent condition which was unchanged from last week.

The report showed that 37% of the crop was dropping leaves as of Sunday as compared with 31% as the 5-year average for this time of the year. Early maturing crops could cause yields to come in slightly below expectations.

The lack of deliveries against the September soybeans or products this morning provided some underlying support. For the NOPA August crush report, traders are looking for crush near 128 million bushels.

Consistent domination of the bears is expected to continue amidst increasing prospects of good crops in US.

CBOT Soy oil futures as 13.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.04	22.08	22.12	21.90	-0.07	21.97
5-Oct	22.14	22.13	22.13	21.96	-0.10	22.04
5-Dec	22.32	22.32	22.33	22.17	-0.05	22.27
5-Jan	22.49	22.45	22.50	22.35	-0.04	22.45

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

There was underlying support in the market from the new USDA forecast for Brazil soybean production at 60 million tonnes, down 2 million from last month but up 9 million from last year's drought impacted crop.

The cash markets are at a standstill in Brazil as producers are unwilling to sell at current price levels and producers who have storage are holding tight.

World ending stocks were revised lower by 3.35 million tonnes due to downward revision in Brazil production and continued strong world demand. There are some increasing concerns with Asia flu, which continues to spread. The flu has killed 63 in Asia and the World Health Organization remains concerned that the flu will mutate with the common human flu and trigger a worldwide pandemic.

With a relatively tight ending stocks forecast in the US, it will not take much in the way of supply or demand disruptions for the US harvest or the Brazil planting season to stabilize the bear trend.

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended marginally higher Wednesday after yet another subdued, range-bound trading day, as a lack of clear long-term direction kept most participants on the sidelines.

Recent weakness in soyoil futures amid bearish 2005/06 soybean crop projections and rising palm oil stocks are putting some downward pressure on CPO futures.

However, friendly factors such as increasing global interest in the use of vegetable oils for fuel and expectations of improved palm

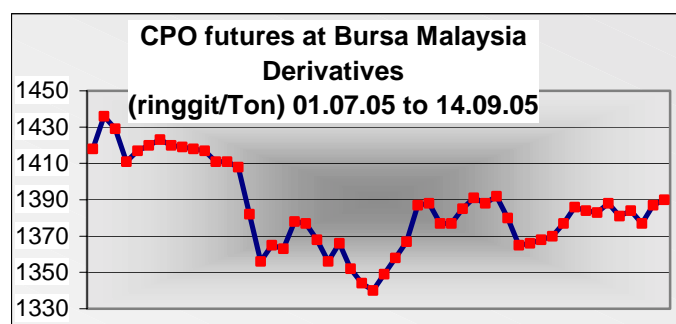
oil demand in the coming weeks due to festivals in major consuming countries are lending support to prices.

Traders expressed that until fundamentals turn clearly bearish or bullish, market participants are expected to continue taking a cautious stance, leaving prices to drift within tight ranges. Cargo surveyors SGS (Malaysia) Bhd and Intertek Agri Services are due Thursday to issue estimates for Malaysian palm oil exports in the first 15 days of September.

In the Malaysian cash market, palm oil products were mostly unchanged amid slow buying interest.

KLCE CPO Futures (14.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1368	1368	1368	1365	0	1368	65
Oct '05	1379	1380	1383	1376	-1	1378	725
Nov '05	1387	1386	1392	1384	+3	1390	1896



Domestic:

Palm oil

The domestic palm oil market continued range bound amidst low retail demand and declining sentiments in other edible oil markets.

In the month of September, till 14.09.05 the country has imported about 0.36 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 positive side on Wednesday amidst increased rainfall activity in most parts of the country and declining supplies.

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

Centres	14.09.05	13.09.05	Change
Kandla CPO (5 % FFA)	325	323	+2
Mumbai CPO (5% FFA)	325	324	+1
Kandla RBD Palmolein	354	354	0
Mumbai RBD Palmolein	361	361	0
Chennai RBD Palmolein	358	355	+3
Kakinada RBD Palmolein	357	355	+2

Soy oil

The domestic market continued improving as traders in the Indore market resumed to increased buying amidst expectation of good prices as the September Contract end (On 15.09.05).

Bears continued to loose grip in the prices amidst increased buyer's activity at the retail market.

In the month of September, India has imported about 1.20 lakh tonnes of soybean oil till 14.09.05. 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 329 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 500 per tonne.

The market is expected to open range bound and trade higher as the day progresses on Thursday amidst increased buyers support. Buy with short term outlook.

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

Centres	14.09.05	13.09.05	Change
Mumbai (Soy ref)	348	348	0
Indore (Soy Ref oil)	362	360	+2
Indore (Soy Solvent Ex. oil)	340	338	+2
Kota (Soy Ref. Oil)	367	365	+2
Jaipur (Soy Ref. Oil)	370	367	+3

NBOT Soy oil futures as on 14.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	360.70	N.A	362.70	N.A	+2.00	362.70	N.A
Oct '05	367.20	367.50	368.90	367.10	+1.40	368.60	25650
Nov '05	368.50	369.50	369.80	368.40	0.00	368.50	300

NCDEX Soy oil futures as on 13.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	362.80	362.30	364.75	362.30	364.50	4010	13710
Oct '05	366.90	366.60	369.40	365.60	369.15	11810	23580
Dec '05	367.10	366.50	369.70	366.50	369.45	6280	17620

Rape oil

The rape oil prices declined amidst increased uncertainty in the domestic market.

Today the mustard arrival was 0.15 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 rape oil exchange market of Delhi, Hissar, Hapur and the Bikaner traded marginally lower amidst declining support in retail demand.

The rape market is expected to range bound on the positive side on Thursday. Buy with short-term outlook.

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

Centres	14.09.05	13.09.05	Change
Mumbai (Rape Expeller Oil)	395	393	+2
Kota (Rape Expeller Oil)	377	375	+2
Jaipur (Rape Expeller Oil)	380	376	+4
Neewai (Kacchi Ghani Rape Oil)	384	382	+2
Delhi (Rape Expeller Oil)	396	394	+2

Groundnut oil

The groundnut market improved marginally amidst heavy rains in major growing areas, and increased uncertainty of the supplies.

The sharp increase in the imports to about 1.82 lakh tonnes (till 14.09.2005) is pressuring the market and not allowing the price to improve significantly. Lack of increased retail demand is keeping the prices under tight check.

The domestic market is expected to continue trading range bound on Thursday amidst increased rains expected in the near days.

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

Centres	14.09.05	13.09.05	Change
Mumbai (Excluding VAT)	500	500	0
Rajkot	525	520	+5
Andhra Region	510	505	+5
Chennai	520	515	+5

LATEST WEATHER WATCH (14.09.2005)

Weather Forecast

During past 24 hours, fairly widespread with isolated with heavy to very heavy rainfall have occurred over Orissa, Gangetic West Bengal, north Coastal Andhra Pradesh, Chhattisgarh, East Madhya Pradesh and Vidarbha. Fairly widespread moderate rainfall has also occurred over Konkan & Goa, Coastal Karnataka, West Madhya Pradesh, Haryana, Himachal Pradesh and Uttaranchal. Light to moderate scattered rainfall has occurred over rest region of the country outside Tamil Nadu, south Andhra Pradesh and Uttar Pradesh. Chief amount of rainfall (Cm) are: Digha-24, Port Blair-15, Nagpur-14, Waltair-12, Balasore, Champa, Raipur & Mahabaleshwar-8 each, Long Islands-7, Vishakkapattanam-6, Mumbai (Colaba)-3.

Yesterday's well marked low pressure area over south Gujarat coast & adjoining Saurashtra has concentrate into a depression and now lies over northeast Arabian Sea with its centre near Lat 20° N/ Long. 68° E about 200 km southwest of Veraval. The system is likely to move in a westerly direction.

The depression over Chhattisgarh has weakened into a well marked low pressure area and now lies over East Madhya Pradesh & neighbourhood with associated upper air cyclonic circulation extending upto mid tropospheric levels. The system is likely to move in a west-northwesterly direction and weaken further.

Under the influence of above systems, fairly widespread rains with heavy to very heavy falls are likely over Vidarbha, Chhattisgarh, Madhya Pradesh and Konkan & Goa for next 2-3 days and over Gangetic West Bengal, Orissa and Jharkhand for another 24 hours.

The Western Disturbance as an upper air system over Jammu & Kashmir and neighbourhood is moving away east-northeastwards.

Forecast Valid For Next 72 Hours

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands, Orissa, Madhya Pradesh, Chhattisgarh, Konkan & Goa, Marathawada and Vidarbha; at many places over Gangetic West Bengal, Jharkhand, Uttar Pradesh, Uttaranchal, Haryana, Chandigarh & Delhi, Punjab, Himachal Pradesh, Madhya Maharashtra and Coastal Karnataka and at a few places over the rest regions of the country outside northeastern States, Rayalaseema and Tamil Nadu & Pondicherry where it may be isolated.

NORTH: Rain/thundershowers likely at many places over Himachal Pradesh and Uttaranchal and at a few places over the region outside Jammu & Kashmir Pradesh where it may be isolated.

SOUTH: Rain/thundershowers likely at most places over Andaman & Nicobar Islands; at many places over Konkan & Goa and Coastal Karnataka and at a few places over the rest region outside Rayalaseema and Tamil Nadu & Pondicherry where it may be isolated.

WEST: Rain/thundershowers likely at most places over Konkan & Goa and Vidarbha; at many places over the rest region outside Rajasthan and Gujarat where it may be at a few places.

Warning

Heavy to very heavy rainfall likely at a few places over Andaman & Nicobar Islands, Chhattisgarh, Madhya Pradesh, Vidarbha and Konkan & Goa. Isolated heavy rain also likely over Gangetic West Bengal, Orissa, Madhya Maharashtra, Marathwada and Gujarat.

Outlook For The Next Two Days

A low pressure area is likely to form over central Bay of Bengal which may enhance rainfall activity over eastern parts of the country after 18th.

PORT-WATCH (Latest)

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

JN Port is receiving 15,000 MT of SBO from the vessel 'Integrity'. The cargo was loaded from Brazil. The vessel will be handled by Interocean agents. Delivery of 13,000 MT of SBO is expected at JN Port from the vessel 'Bow Maatroom'.

'L Star' has berthed at Kolkatta Port and continues to deliver 6,000 MT of CPO. Seaworld agents is handling the vessel. The port is expecting 'Isokaze' to deliver 10,196 MT of CPO. Seaport 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. The port is expecting 'Marine Pioneer' from Indonesia to deliver 9,500 MT of CPO. The vessel will be handled by Interocean agents.

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.

'MMM Jackson' is expected at Kakinada Port to deliver 6,000 MT of CPO.

Chennai Port is expecting 'Spring Glory' and 'Ace I' to deliver 6,000 MT of palm oil and 5,998 MT of CPO respectively. James

Mackintosh and Interocean agents will be handling these vessels. 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
	Marine Pioneer	9500	CPO	Expected
Kolkata	L Star	6000	CPO	Arrived
	Isokage	10196	CPO	Expected
Kakinada	MMM Jackson	6000	CPO	Expected
Mundra	Gemini	10257	CPO	Expected
Cochin	MMM Kingston	3000	Palm oil	Expected
JN	Bow Maatroom	13000	SBO	Expected
	Integrity	15000	SBO	Arrived
New Mangalore	Global Venus	8550	CPO	Arrived
Chennai	Spring Glory	6000	CPO	Expected
	Ace I	6000	CPO	Expected
	Chem Botima	6000	Palm oil	Expected

Forex Rates

(As on 14.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.92
Malaysia	Ringgit	11.66
European Union	Euro	53.97
United Kingdom	GBP	80.21
Japan	100 Yen	39.72

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