

VEGOIL

09th September 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Plummeted Further on Improving Crop Weather
- South American Soybean Lowered Marginally on Declining Trade Prospects
- Crude Palm Oil Futures Declined Further On Subdued Trading
- Soybean Oil Prices Declined Further On Lack Of Buyers Support

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

The October contract closed at 368.40, which is marginally lower from yesterday's close. Market opened weak and continued lower pressured extensively by the sellers and increased imports.

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

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

The 9-days Price ROC declined further to -0.4190 (pointing downward) indicating the declining strength in the prices. The 9-day RSI also continued lower in the neutral region to a level of 39.13 supporting the declining strength in the prices.

The % K-line improved marginally in the oversold region hinting to the slight steadiness but the % D-Line continued further downward hinting to the declining strength.

The candlestick is hinting at the weak opening and range bound lower trade for Saturday.

Market advice:

Market is expected to open weak and trade range bound for Saturday amidst consistent decline in the retail demand

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	366.20	365.40	368.90	369.40
NCDEX	Oct' '05	366.80	365.70	368.40	369.10

Abbreviations:

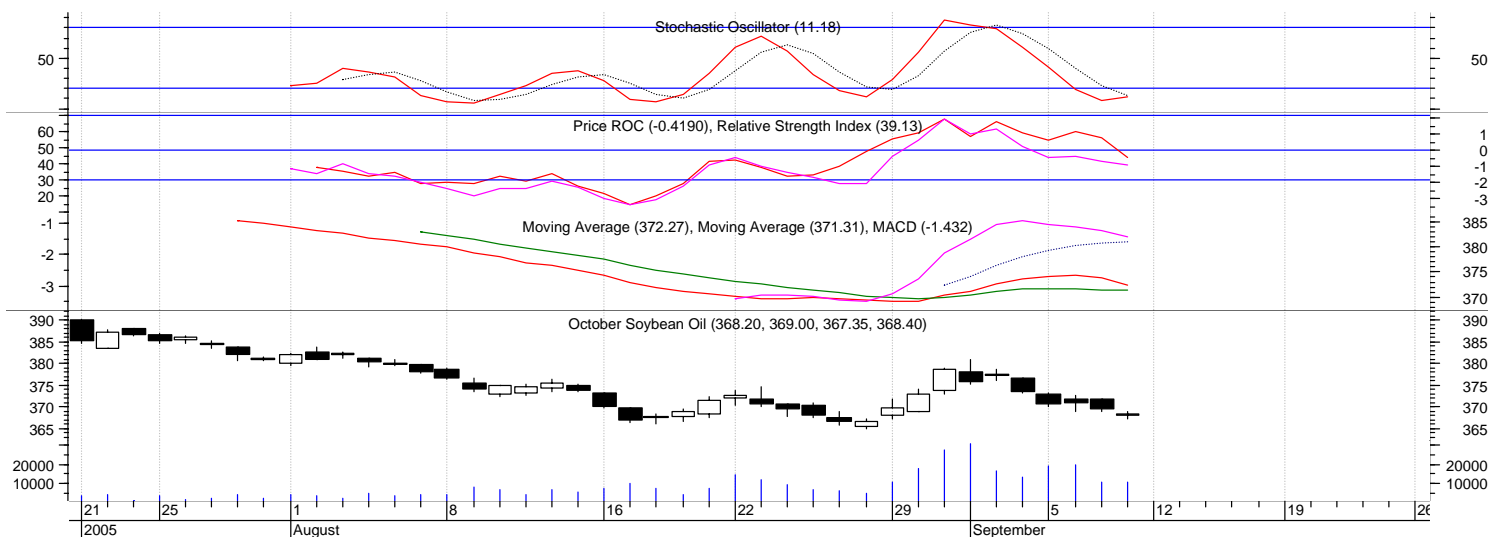
ROC - Rate of Change

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):

The US traders remained fearful of the coming USDA monthly crop progress report, which is expected to indicate good harvest of soybean in the coming season.

Ultra high freight costs, the additional element of uncertainty of obtaining US supplies from the US Gulf certainly prompts buyers to look to other sources.

Increased Brazilian crop also added bearish tilt to the trading prospects in US. Brazilian forecast was raised to 51.1 million tons from the prior forecast of 50.2 million tons.

Consistent domination of the bears in the market is expected to halt the bulls in the coming days from taking major trade initiatives.

CBOT Soy oil futures as 08.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.62	22.58	22.58	22.30	-0.22	22.40
5-Oct	22.68	22.58	22.58	22.38	-0.23	22.45
5-Dec	22.91	22.80	22.80	22.60	-0.24	22.67
5-Jan	23.07	22.95	23.00	22.80	-0.21	22.86

CBOT remains closed on Saturday and Sunday.

South American Soybean Market

The export news seems to be more favourable to US exporters as compared with Brazilian exporters, in spite of the recent shutdown of the New Orleans port.

Traders are expecting for an increase in production of about 25 million bushels for the USDA Crop Production Report for Monday morning. As of Sunday 12% of Iowa fields were dropping leaves as compared with 2% last year and 8% as the 5-year average, and informal reports early this week had many reports of fields turning brown quickly.

Barge freight rates have hit a record high along the Illinois, Ohio and Mississippi rivers as export conditions improve and the market sorts out the location of over 100 barges that were missing from the hurricane.

Expected decline in the trade prospects and lowering crop in Brazil, is expected to impart increased uncertainty in the South American Soybean market.

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended marginally higher Friday, as the market ended the week in the same way it started - with prices drifting in a narrow range amid sluggish trading activity.

The Malaysian Palm Oil Board, or MPOB, is due to issue Monday official production, export and stock data for August. Market expectations are for the MPOB to report a 3%-5% rise in production in August from 1.29 million tons in July. Stocks, which totaled 1.27 million tons at end-July, are expected to rise to slightly above 1.3 million tons at end-August.

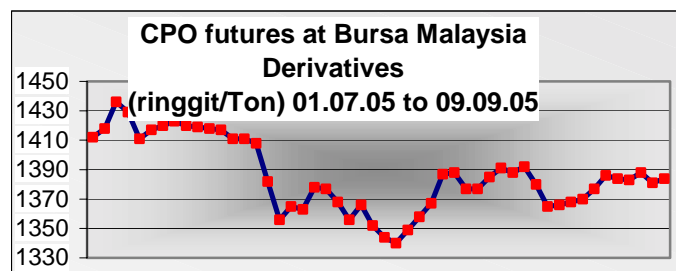
The supply and demand data on palm oil, soybean production forecasts are due to be issued Monday by the U.S. Department of Agriculture. Soybean production prospects usually have a major influence on the longer-term price direction of global oilseeds and edible oils.

In the Malaysian cash market, palm oil products were subdued, as buying interest remained sluggish. The market is expected to

continue on the lower side amidst expected bearish official production, export and stock data for August.

KLCE CPO Futures (08.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1365	1361	1368	1360	+1	1366	287
Oct '05	1376	1371	1378	1371	+2	1378	357
Nov '05	1381	1384	1384	1376	+3	1384	2066



Domestic:

Palm oil

The domestic palm oil market continued trading on the lower side amidst no signs of recovery in the retail demand and increased uncertainty in other edible oil markets.

In the month of September, till 09.09.05 the country has imported about 0.25 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 357.50 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 lower side on Friday amidst low retail demand.

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

Centres	09.09.05	08.09.05	Change
Kandla CPO (5 % FFA)	322	323	-1
Mumbai CPO (5% FFA)	324	325	-1
Kandla RBD Palmolein	355	355	0
Mumbai RBD Palmolein	361	363	-2
Chennai RBD Palmolein	354	354	0
Kakinada RBD Palmolein	355	355	0

Soy oil

The domestic market continued lower amidst continued low retail demand and increased selling.

Rains in most parts of Maharashtra, Madhya Pradesh and Gujarat have improved the prospects of the good soybean crop in the area, giving the bears a chance to grip the market.

In the month of September, India has imported about 0.82 lakh tonnes of soybean oil till 09.09.05. 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 330 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 and trade further lower as the day progresses on Saturday. Sell with short-term outlook to book profit.

Soybean oil - Spot Market Price (Rs. per 10 kg)			
Centres	09.09.05	08.09.05	Change
Mumbai (Soy ref)	348	349	-1
Indore (Soy Ref oil)	361	362	-1
Indore (Soy Solvent Ex. oil)	337	339	-2
Kota (Soy Ref. Oil)	365	367	-2
Jaipur (Soy Ref. Oil)	364	369	-5

NBOT Soy oil futures as on 09.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	363.80	363.00	363.60	362.50	-0.90	362.90	2470
Oct '05	368.90	367.50	368.50	366.90	-1.00	367.90	16850
Nov '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 08.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	366.75	366.50	366.80	365.20	365.60	4580	17690
Oct '05	370.90	371.70	371.70	368.90	369.40	10920	25000
Dec '05	372.05	371.25	371.25	369.85	370.10	4380	14810

Rape oil

The rape oil prices traded range bound amidst lack of retail support both at the futures as well as the spot 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 enhancing the uncertainty in the mustard oil markets.

The rape oil exchange market of Delhi, Hissar, Hapur and the Bikaner continued lower amidst continuous decline in retail demand.

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

Rape oil - Spot Market Price (Rs. per 10 kg)			
Centres	09.09.05	08.09.05	Change
Mumbai (Rape Expeller Oil)	395	398	-3
Kota (Rape Expeller Oil)	375	376	-1
Jaipur (Rape Expeller Oil)	376	378	-2
Neewai (Kacchi Ghani Rape Oil)	384	386	-2
Delhi (Rape Expeller Oil)	395	398	-3

Groundnut oil

The groundnut market continued lower amidst heavy rains in major growing areas, which has led to the improving of the crop prospects in Gujarat, Maharashtra and Madhya Pradesh.

The sharp increase in the imports to about 1.12 lakh tonnes (till 09.09.2005) is pressuring the market and not allowing the price to improve significantly.

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

Groundnut oil - Spot Market Price (Rs. per 10 kg)			
Centres	09.09.05	08.09.05	Change
Mumbai (Excluding VAT)	507	505	+2
Rajkot	515	518	-3
Andhra Region	510	515	-5
Chennai	515	520	-5

LATEST WEATHER WATCH (09.09.2005)

Weather Forecast

During last 24 hours, fairly widespread rains with isolated heavy falls occurred over coastal Orissa, Gujarat region and Marathwada. Scattered moderate rains have also occurred over Coastal Andhra Pradesh, Coastal Tamil Nadu, Konkan & Goa, Madhya Maharashtra, Coastal & South Interior Karnataka, Kerala, Lakshadweep and West Rajasthan. Chief amounts of the rainfall (in cms.) are: Puri-18, Bhubaneswar-14, Port Blair & Gopalpur-10 each, Cuttack-9, Aurangabad & Jaisalmer-8 each, Surat-7.

The cyclonic circulation over central Pakistan and adjoining northwest Rajasthan persists extending upto 1.5 km a.s.l. Another upper air cyclonic circulation extending upto 2.1 km a.s.l. lies over north Pakistan and adjoining Jammu & Kashmir. They are also likely to cause scattered to moderate rainfall over north west India outside Uttar Pradesh where rainfall is likely to remain subdued.

Forecast Valid For Next 72 Hours

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, Orissa, south Chhattisgarh, Konkan & Goa, Madhya Maharashtra, Andhra Pradesh, Karnataka, Kerala and Lakshadweep and at a few places over Gangetic West Bengal, north Chhattisgarh, Rajasthan, Gujarat State, West Madhya Pradesh, Marathwada, Vidarbha and Tamil Nadu & Pondicherry. It may be isolated over the rest regions of the country. i) Rainfall activity is likely to increase over Chhattisgarh, Madhya Pradesh, Marathwada and Vidarbha after 9th and over Gujarat state after 10th.

NORTH: Rain/thundershowers likely at a few places over Uttaranchal, Himachal Pradesh, Jammu & Kashmir, Punjab and Haryana and isolated over the rest region.

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands and Coastal Andhra Pradesh and at a few places over the rest region. Rainfall activity likely to increase over Interior Andhra Pradesh after 10th.

WEST: Rain/thundershowers likely at many places over Gujarat Region, Konkan & Goa and Madhya Maharashtra and at a few places over rest region outside West Madhya Pradesh and South Rajasthan where it will be isolated. Rainfall activity likely to increase over Gujarat and West Madhya Pradesh after 10th.

Warning

Isolated heavy to very heavy rainfall is likely over Andaman & Nicobar Islands, Orissa, Konkan & Goa, Madhya Maharashtra, north Coastal Andhra Pradesh and Gujarat Region.

Outlook For The Next Two Days

Rainfall activity is likely to continue over Peninsular India.

Increase in rainfall over central India.

PORT-WATCH (Latest)

'Ocean Ace' has berthed at Kolkata Port and continues to deliver 6,014 MT of CPO. Atlantic agents is handling these vessels.

Delivery of 27,250 MT of SBO is continuing from the vessel 'Fedelity' at Kandla Port. The cargo was loaded from Brazil. Shantilal agents is handling the vessel. The port is expecting 'Khadijah' from Malaysia to deliver 6,250 MT of CPO. The vessel will be handled by JM Baxi agents.

Delivery of 3,000 MT of palm oil is expected at Cochin Port from the vessel 'MMM Kingston'. GAC agents is handling the vessel. The port is expecting 'Siam Pavinee' to deliver 3,000 MT of palm oil. Seaworld agents will be handling the vessel.

JN Port is expecting 'Marine Champion' to deliver 10,000 MT of CPO. Delivery of 15,000 MT of SBO is expected at the port from the vessel 'Integrity'.

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

Mundra Port is expecting 'Bow Maastroom' to deliver 20,000 MT of SBO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Fedelity	27250	SBO	Arrived
	Khadijah	6250	CPO	Expected
Kolkata	Ocean Ace	6000	CPO	Arrived
Kakinada	MMM Jackson	6000	CPO	Expected
Mundra	Bow Maastroom	20000	SBO	Expected
Cochin	MMM Kingston	3000	Palm oil	Expected
	Siam Pavinee	3000	Palm oil	Expected
JN	Marine Champion	10000	CPO	Expected
	Integrity	15000	SBO	Expected

Forex Rates

(As on 09.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.81
Malaysia	Ringgit	11.63
European Union	Euro	54.48
United Kingdom	GBP	80.57
Japan	100 Yen	39.64

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