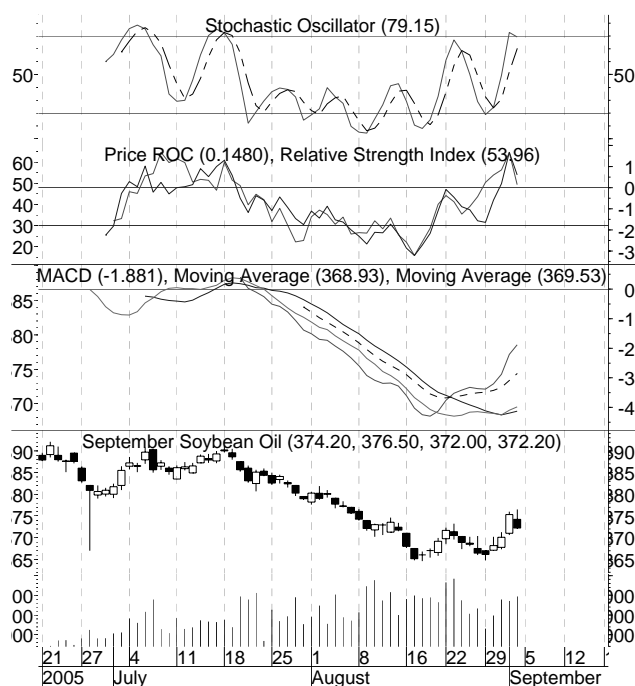


## VEGOIL

01<sup>st</sup> September 2005

### MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Dipped Sharply on Increased Speculative Selling
- South American Soybean Continued Improving Amidst Support from Increased Export Demand
- Crude Palm Oil Futures Continued Improving on Increased Short Coverings
- Soybean Oil Prices Declined On Increased Profit Booking



### TECHNICAL ANALYSIS

#### COMMODITY: SOY OIL

Perspective: Very Short Term  
NCDEX September Contract

The September contract closed at 372.20, which is significantly lower than yesterday's close. Market opened weak and continued further lower for the day amidst increased selling pressure.

The technical indicators are lower opening and unsteady trade for tomorrow.

#### Market advice:

Market is expected to open lower and trade range bound for Friday, with slight recovery towards the end session

Short selling in the opening session would yield profit.

#### Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Sept' '05	367.60	366.10	372.40	374.50
NCDEX	Sept' '05	371.00	370.10	375.30	377.00

### MARKET HIGHLIGHTS & FUNDAMENTAL ANALYSIS

#### International:

#### CBOT (US Soybean Oil):

Uncertainty as to when the export terminals at the gulf will re-open and fears that export demand will soon shift to South America pressured increased speculative selling.

Dryness in the Midwest supported the early bounce but the market could not shake the big deliveries and the fear that the ports will remain closed for an extended period of time, which will encourage end-users to shift to South America soybeans.

Fear of large beginning stocks, lack of exports and the start of harvest is all expected to pull down the prices.

In the export sales report, released before the opening, soybean sale is expected to come in near 600,000-900,000 tonnes, meal sales at 50,000-100,000 tonnes and oil sales near 2,000-8,000 tonnes.

The US soybean is expected to continue lower on Thursday evening amidst increased delivery pressure.

#### CBOT Soy oil futures as 31.08.2005

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Sep	22.86	22.91	23.00	22.35	-0.45	22.41
5-Oct	23.01	23.05	23.16	22.47	-0.50	22.51
5-Dec	23.29	23.30	23.43	22.70	-0.49	22.80
5-Jan	23.42	23.47	23.75	23.00	-0.47	22.95

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Market

With the New Orleans port down for at least several more days and the city still filling up with floodwaters, South American exporters seem to have an advantage for capturing any business for nearby shipment.

End users who were waiting for soybeans from the US for shipment this week may need to switch to South American origin if it looks like port delays will continue for an extended period. China seems to be getting more active, which might spark some increased business from Brazil.

The hurricane has destroyed nearly 5-10 million bushels of soybeans due to flooding and wind damage.

South American market is expected to trade positive amidst increasing prospects exports from Asian countries.

#### KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended slightly higher, boosted by late speculative buying and short covering.

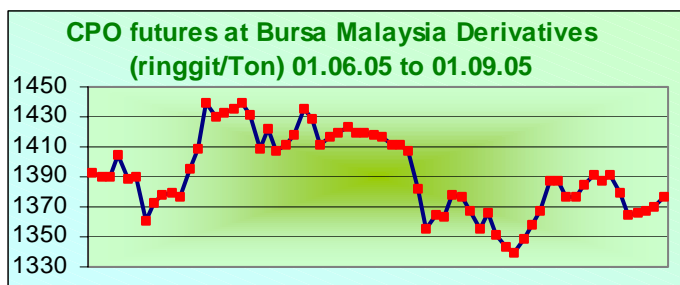
Estimates showing higher August exports and improved buying interest in the cash market also provided support to the futures market, which otherwise stayed within recent ranges as participants continue to wait for a clearer long-term price direction.

Cargo surveyor Intertek Agri Services estimated August Malaysian palm oil exports at 1.18 million tons, up 11.9% on month. Another surveyor, SGS (Malaysia) Bhd., also estimated August palm oil exports at 1.18 million tons, up 8.1% on month.

The market players are waiting for official August supply and demand data from the Malaysian Palm Oil Board due mid-September for making new move.

#### KLCE CPO Futures (01.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Sep '05	1358	1357	1362	1357	+4	1362	262
Oct '05	1366	1366	1375	1365	+9	1375	994
Nov '05	1370	1369	1377	1367	+7	1377	2061



### Domestic:

#### Palm oil

The domestic palm oil market today traded range bound owing to steady retail demand and declining prices in other edible oil markets.

In the month of August, till 31.08.05 the country has imported about 3.60 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 355.00 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 Friday amidst increased pressure of imports and steady retail demand.

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

Centres	01.09.05	31.08.05	Change
Kandla CPO (5 % FFA)	323	324	-1
Mumbai CPO (5% FFA)	324	325	-1
Kandla RBD Palmolein	358	358	0
Mumbai RBD Palmolein	364	364	0
Chennai RBD Palmolein	357	358	-1
Kakinada RBD Palmolein	359	359	0

#### Soy oil

The domestic market opened weak and continued further on the lower side as the day progressed amidst increased speculative buying.

In the month of August, India has imported about 2.72 lakh tonnes of soybean oil till 31.08.05. The Hazir markets traded marginally positive amidst improving 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 range bound but improve toward the mid-session on Friday amidst increased buyers support Buy with short and medium outlook.

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

Centres	01.09.05	31.08.05	Change
Mumbai (Soy ref)	352	352	0
Indore (Soy Ref oil)	364	364	0
Indore (Soy Solvent Ex. oil)	339	340	-1
Kota (Soy Ref. Oil)	367	368	-1
Jaipur (Soy Ref. Oil)	369	371	-2

#### NBOT Soy oil futures as on 01.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Sept'05	372.30	372.10	374.10	370.20	-1.40	370.90	17800
Oct '05	377.30	377.50	380.30	376.10	-0.80	376.50	32510
Nov '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

#### NCDEX Soy oil futures as on 31.08.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Sep'05	370.10	371.00	376.00	370.65	375.30	13570	23240
Oct '05	372.95	373.90	379.05	373.00	378.70	27450	28090
Dec '05	372.00	373.50	379.25	372.10	378.75	7060	7660

#### Rape oil

The rape oil prices continue to trade range bound amidst increasing support from the demand owing to approach of the festival season.

Today the mustard arrival was 0.12 lakh bags in Rajasthan.

The rape oil exchange market of Delhi, Hissar, Hapur and the Bikaner traded range bound amidst lack of increased buyers' support.

The rape market is expected to continue on the higher side on Friday. Buy with short and medium outlook.

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

Centres	01.09.05	31.08.05	Change
Mumbai (Rape Expeller Oil)	391	392	-1
Kota (Rape Expeller Oil)	380	380	0
Jaipur (Rape Expeller Oil)	379	380	-1
Neewai (Kacchi Ghani Rape Oil)	395	398	-3
Delhi (Rape Expeller Oil)	396	398	-2

## Groundnut oil

The groundnut market declined marginally in various spot market amidst concerns over the declining supplies.

Area under groundnut crop was lower mainly due to lesser coverage in Andhra Pradesh, Gujarat, Maharashtra, Tamil Nadu and Uttar Pradesh. Sowing was however still continuing in Andhra Pradesh, Karnataka and Tamil continued Nadu following widespread rains in the first fortnight of Aug 2005.

The domestic market is expected to continue trading range bound on the lower side on Friday amidst expected increased arrivals towards the mid of October in the southern states of Andhra Pradesh.

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

Centres	01.09.05	31.08.05	Change
Mumbai (Excluding VAT)	485	482	-3
Rajkot	520	520	0
Andhra Region	515	525	-10
Chennai	520	528	-8

## LATEST WEATHER WATCH (01.09.2005)

### Weather Forecast

The upper air cyclonic circulation extending between 2.1 to 4.5 km above sea level over Gujarat & neighbourhood has become less marked.

### Forecast Valid For Next 72 Hours

**NORTH:** Mainly dry weather in the region.

**WEST:** Rain/thundershowers likely at a few places over Konkan & Goa and Madhya Maharashtra.

### Warning

None.

### Outlook For The Next Two Days

Moderate rainfall activity over south Peninsula and Northeastern States is likely to continue.

Mainly dry weather is likely over northwest of India.

Rainfall activity likely to increase over eastcentral and eastern India

## PORT-WATCH (Latest)

Kolkata Port is receiving 9,550 MT of SBO from the vessel 'Montana Star'. JM Baxi agents is handling the vessel. 'Spring Wind' has berthed at Kolkata Port and is continuing to discharge 7,250 MT of CPO. The vessel is being handled by Seaport agents.

Delivery of 6,000 MT of CPO is continuing at Tuticorin Port from the vessel 'Siam Bhavas'. St.John agents is handling the vessel.

New Mangalore Port is receiving 6,000 MT of CPO from the vessel 'Ace I'. Interoccean agents is handling the vessel.

'Global Eos' from Indonesia has berthed at Kandla Port and continues to discharge 9,500 MT of CPO. The vessel is being handled by Forbes Gokak agents.

Delivery of 10,000 MT of palm oil is expected at Mumbai Port from the vessel 'Chemstar Hero'. JM Baxi agents will be handling the vessel.

Kakinada Port is expecting 'Global Venus' to discharge 9,000 MT of CPO.

'Gertrude' and 'Zhong Hua 6' are expected at Chennai Port to discharge 5,000 MT and 4,000 MT of palm oil respectively. Seaport agents will be handling these vessels.

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

Mundra Port is expecting 'Champion Vincita' to deliver 5,500 MT of SBO. Interoccean agents is handling the vessel.

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Eos	9500	CPO	Arrived
Kakinada	Global Venus	9000	CPO	Expected
Mumbai	Chemstar Hero	10000	Palm oil	Arrived
	Global Eos	1500	Palm oil	Arrived
Kolkata	Montana Star	9550	SBO	Arrived
	Spring Wind	7250	CPO	Arrived
Chennai	Gertrude	5000	Palm oil	Expected
	Zhong Hua 6	4000	Palm oil	Expected
Tuticorin	Siam Bhavas	6000	CPO	Arrived
New Mangalore	Ace I	6000	CPO	Arrived
Cochin	MMM Kingston	3000	Palm oil	Expected
Mundra	Champion Vincita	5500	SBO	Expected

### Forex Rates

(As on 01.09.2005)

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.12
Malaysia	Ringgit	11.70
European Union	Euro	54.38
United Kingdom	GBP	79.53
Japan	100 Yen	39.81

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