

VEGOIL

26th September 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Improved Sharply on Encouraging Export Figures
- Soybean Oil Prices Continued High on Increased Buying at Indore

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term

NCDEX October Contract

The October contract closed at 364.30, which is significantly higher from yesterday's close. Bears were slightly forced to take the back seat amidst expected of positive support from the globe oil Convention (24 - 25 September 2005.) In spite of the retail support the traders pulled up the market amidst increased buyer's support.

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

MACD improved marginally on increased expectation of positive support in the soybean production figures.

The 9-days Price ROC improved marginally to -1.474 (pointing upward) indicating the changing sentiments in the prices. The 9-day RSI moved further upward marginally towards the end of the session in the neutral region to a level of 42.55 supporting the improving sentiments in the market prices.

The % K-line turned up in the neutral hinting to the strength in the prices. The % D-Line also continued improving indicating the improving sentiments in the prices.

The candlestick is hinting at the range bound opening and improving trade for Monday.

Market advice:

Market is expected to open range bound, trade marginally higher in the first session but lower towards the end of the day's session

Buying in the opening session would yield profit, Avoid Carrying the position for the next day, as the market is expected to continue on the downside henceforth

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NBOT	Oct' '05	362.90	361.70	364.60	365.90
NCDEX	Oct' '05	364.20	363.40	366.70	367.90

Abbreviations:

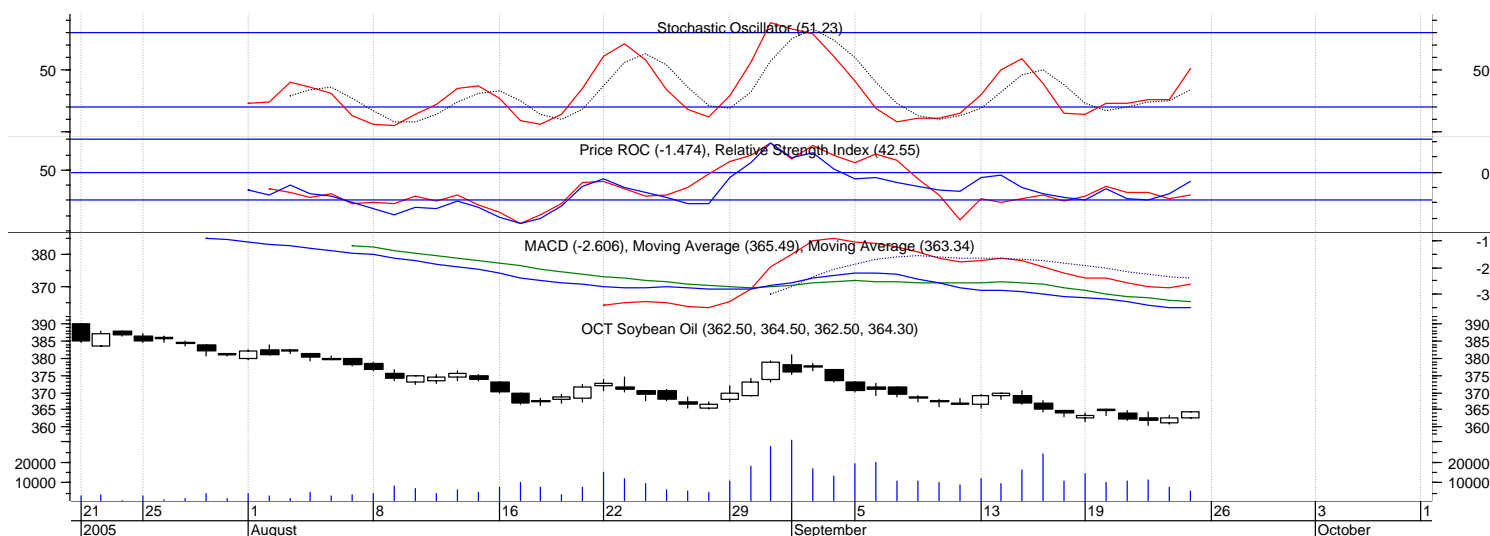
ROC - Rate of Change

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 (26.09.05).

CBOT Soy oil futures as 23.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Oct	23.32	23.33	23.33	22.87	-0.44	22.88
5-Dec	23.56	23.63	23.63	23.11	-0.41	23.15
6-Jan	23.71	23.72	23.72	23.30	-0.39	23.32
6-Mar	23.85	23.87	23.87	23.45	-0.35	23.50

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 (26.09.05).

KLCE (Malaysian Palm Oil):

Crude palm oil futures on the Bursa Malaysia Derivatives ended sharply higher Monday, boosted by strong export estimates, active buying interest in the cash market from a major trading house and bullish remarks from an influential market analyst.

CPO futures ignored sharp losses in soyoil futures to move progressively higher throughout the day. Cargo surveyor Intertek Agri Services estimated Malaysia's palm oil exports in the Sept. 1-25 period at 1.02 million tons, up 10.8% on month. Another surveyor SGS (Malaysia) Bhd also estimated exports at 1.02 million tons, up 12.4% on month.

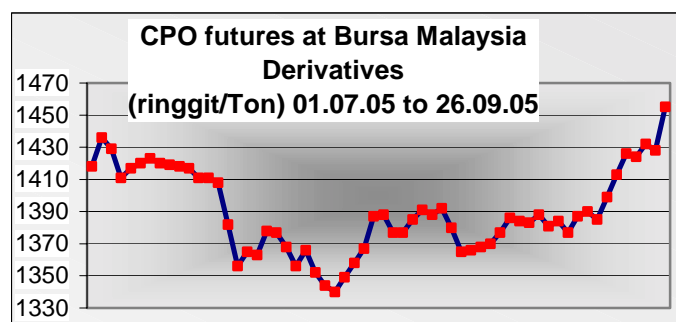
Improved demand in the cash market also fueled hopes that exports would stay strong in the weeks ahead as major buyers like India and the Middle East stock up for religious festivals in the coming months. A trading house, a major exporter of Indonesian palm oil, was a prominent buyer of palm oil products, boosting market sentiment.

In the Malaysian cash market, trades for refined, bleached and deodorized palmolein were reported at \$415/ton for November/December and at \$417.50/ton for January/February/March. RBD palmolein was last offered up \$2.5/ton from Friday, with November/December at \$417.50/ton and January/February/March and April/May/June deliveries at \$420/ton, respectively.

The comments from Dorab Mistry were also considered friendly for the market. Mistry, director of London-based Godrej International Ltd. and a closely-followed price forecaster, said at an industry gathering in India over the weekend that global edible oil prices are likely to move higher in the next five months due to strong demand and limited supply.

KLCE CPO Futures (26.09.05) (In Ringgit /T)

Months	Previous	Open	High	Low	Change	Close	Volume (*lots)
Oct '05	1420	1420	1442	1420	+21	1441	307
Nov '05	1424	1426	1451	1426	+26	1450	1728
Dec '05	1428	1425	1455	1425	+27	1455	5478



Domestic:

Palm oil

The domestic palm oil market today continued range bound on the positive side amidst increased uncertainty in the other edible oil markets and increased support from the international markets.

In the month of September, till 24.09.05 the country has imported about 1.1.32 lakh tonnes of palm oil.

CNF prices of CPO (July) were quoted at \$ 367.50 per tonne and RBD Palmolein at \$ 410.00 per tonne.

The price for palm oil in the market is expected to continue range bound on Tuesday amidst continuing lower retail demand.

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

Centres	26.09.05	24.09.05	Change
Kandla CPO (5 % FFA)	321	321	0
Mumbai CPO (5% FFA)	323	323	0
Kandla RBD Palmolein	351	350	+1
Mumbai RBD Palmolein	358	358	0
Chennai RBD Palmolein	352	351	+1
Kakinada RBD Palmolein	353	350	+3

Soy oil

The oil market continued improving towards the end of the day amidst support from the firm trading for the most of the day on increased speculative buying. Added support was received from the sharp rise in the palm oil futures at the KLCE.

In the month of September, India has imported about 1.54 lakh tonnes of soybean oil till 26.09.05. The Hazir markets traded range bound amidst uncertain and declining retail demand.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 321 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 510 per tonne.

The market is expected to open range bound continue positive as the day progresses on Tuesday amidst increased buying. Buy with very short-term outlook at the opening prices.

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

Centres	26.09.05	24.09.05	Change
Mumbai (Soy ref)	342	344	-2
Indore (Soy Ref oil)	357	357	0
Indore (Soy Solvent Ex. oil)	337	338	-1
Kota (Soy Ref. Oil)	364	365	-1
Jaipur (Soy Ref. Oil)	365	367	-2

NBOT Soy oil futures as on 26.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	363.30	363.30	363.60	361.60	+0.30	363.60	14660
Nov '05	362.10	362.00	364.20	361.00	+2.10	364.20	1870
Dec '05	0.00	N.A	N.A	N.A	0.00	N.A	N.A

NCDEX Soy oil futures as on 24.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	362.60	362.50	364.50	362.50	364.20	5920	23010
Nov '05	360.55	360.95	362.80	360.95	362.65	3050	26440
Dec '05	360.50	361.90	364.85	361.00	363.05	380	1240

Rape oil

The rape oil prices continued range bound amidst low retail demand from the eastern part of the country (Very low demand has been the market feature for the Bihar, West Bengal and Jharkhand regions).

Today the mustard arrival was 0.10 lakh bags in Rajasthan. The rapeseed exchange market of Delhi, Hissar, Hapur and the Bikaner traded marginally lower amidst declining support from the retail buyers.

The rape market is expected to continue range bound on Tuesday. Short-term investors should stay from the market.

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

Centres	26.09.05	24.09.05	Change
Mumbai (Rape Expeller Oil)	395	395	0
Kota (Rape Expeller Oil)	368	370	-2
Jaipur (Rape Expeller Oil)	372	372	0
Neewai (Kacchi Ghani Rape Oil)	380	378	+2
Delhi (Rape Expeller Oil)	392	390	+2

Groundnut oil

The groundnut market improved marginally in most of the western and southern regions amidst increased uncertainty in supplies in the edible oil markets and heavy rains in major growing areas of Gujarat and Maharashtra. With the clearing of the weather in the coming days the market is expected to gain some momentum. The lack of retail demand is still the major concerns for the unsteady and weakening of prices.

The sharp increase in the imports to about 2.82 lakh tonnes (till 26.09.2005) is pressuring the market.

The domestic market is expected to continue trading range bound on Tuesday amidst low retail demand in spite of the up coming festival seasons.

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

Centres	26.09.05	24.09.05	Change
Mumbai (Excluding VAT)	500	495	+5
Rajkot	520	525	-5
Andhra Region	500	495	+5
Chennai	500	498	+2

LATEST WEATHER WATCH (26.09.2005)**Weather Forecast**

During last 24 hours, rainfall has reduced significantly over Uttaranchal, Himachal Pradesh and Jammu & Kashmir. Scattered light to moderate rainfall has also occurred over East Uttar Pradesh, north-eastern States, parts of Madhya Pradesh, Chhattisgarh, Orissa and Konkan & Goa.

Mainly dry weather prevailed over Gujarat, Rajasthan, Punjab, Haryana, most parts of interior Maharashtra.

The circulation features suggest that the southwest monsoon is likely to withdraw from parts of Rajasthan, Punjab, Haryana and Jammu & Kashmir during next 48 hours.

Chief amounts of rainfall (in cm.) during past 24 hours are: Pantnagar-8, Gangtok-7, Port Blair-3, Visakhapatnam-3 and Dehradun-2.

Yesterday's low pressure area over West Uttar Pradesh and adjoining Uttaranchal has become less marked.

The western disturbance as an upper air system and the trough in westerlies are moving away northeastwards.

A north-south trough runs from Sikkim to north Bay of Bengal and extends upto 4.5 km a.s.l.

Under this scenario moderate rainfall activity is likely continue in northeast India.

Forecast Valid For Next 72 Hours

NORTH: Rain/thundershowers likely; at a few places over Uttaranchal and isolated over Uttar Pradesh, Himachal Pradesh and Jammu & Kashmir. Mainly dry weather is likely in the rest region.

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands and at a few places over Coastal Karnataka. It may be isolated in the rest region.

WEST: Rain/thundershowers likely at a few places over Konkan & Goa and isolated over Gujarat and Madhya Maharashtra. Mainly dry weather is likely in the rest region.

Warning

Isolated heavy rainfall may also occur over Northeastern States and Sub-Himalayan West Bengal & Sikkim during next 24 hours.

Outlook For The Next Two Days

Slight increase in rainfall is likely over east coast and south peninsula.

PORT-WATCH (Latest)

'Global Eos' from Malaysia has berthed at Kandla Port and continues to discharge 5,500 MT of CPO. Forbes Gokak agents is handling the vessel. Delivery of 4,750 MT of CPO is continuing at Kandla Port from the vessel 'Spring Wind'. The cargo was loaded from Dumai. The vessel is being handled by Interocean agents. Delivery of 8,000 MT of SBO is expected from the vessel 'Bryggen' at Kandla Port. The cargo was loaded from Argentina. Interocean agents will be handling the vessel. The port is expecting 'Azteca' from USA to discharge 5,650 MT of SBO. JM Baxi agents will be handling the vessel.

Kolkata Port is receiving 6,000 MT of CPO from the vessel 'MMM Houston'. The vessel is being handled by Seaport agents. 'Seven Island' has berthed at the port and continues to discharge 3,500 MT of CPO. Atlantic agents is handling the vessel. The port is expecting 'Stlot Guardian' to discharge SBO. JM Baxi agents will be handling the vessel.

JN Port is receiving 6,000 MT of SBO from the vessel 'Storm'. Interocean agents is handling the vessel.

New Mangalore Port is receiving 6,500 MT of CPO from the vessel 'Bumik'. The vessel is being handled by Interocean agents.

Kakinada Port received 6,000 MT of CPO from the vessel 'Istana 6' and the vessel is sailed off. 'Vernal Grace' is expected at the port to discharge 6,000 MT of CPO.

Chennai Port is expecting 'Ace I' to deliver 5,998 MT of CPO. Interocean agents will be handling the vessel.

'Eastern Amenity' is expected at Mumbai Port and to discharge 8,520 MT of palm oil. GAC agents will be handling the vessel.

Delivery of 6,300 MT of palm is expected at Tuticorin Port from the vessel 'Khadijah'. St.John agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Azteca	5650	SBO	Expected
	Spring Wind	4750	SBO	Arrived
	Global Eos	5500	CPO	Arrived
	Bryggen	8000	SBO	Arrived
Kolkata	MMM Houston	6000	CPO	Arrived
	Seven Island	3500	CPO	Arrived
Mumbai	Eastern Amenity	8520	Palm oil	Expected
JN	Storm	6000	SBO	Arrived
Chennai	Ace I	6000	CPO	Expected
New Mangalore	Bumik	6500	CPO	Arrived
Kakinada	Istana 6	6000	CPO	Arrived
Tuticorin	Khadijah	6300	Palm oil	Expected

Forex Rates

(As on 26.09.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.95
Malaysia	Ringgit	11.66
European Union	Euro	52.92
United Kingdom	GBP	77.86
Japan	100 Yen	39.05

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