

VEGOIL

19th October 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Settle Down On Export Concerns
- Soyoil Future Settle Mixed

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Technical Analysis for November Contract:

1. The MACD, is on its upward journey and is just short of breaking into positive territory which should be a good sign for bulls. Medium term remains mildly bullish.

2. The stochastics oscillator continues to give a bearish signal as the %K line is further dipping into the neutral region. It indicates short term weakening.

3. The price went below both the 9-day and 18-day EMA during intraday dips but closed successfully above both EMAs. The 9-day and 18-day EMAs are at 365.45 and 365.1 respectively for November contract. Watch these levels closely for support. Medium term outlook is mildly bullish.

Prices also tested the resistance-turned-support trendline during intraday dips but bounced successfully above it. The tendency to test support trendline and EMA supports is somewhat disturbing. The Technical indicators are not giving direction clearly.

Market advice:

Though the bias is upwards, the up move is quite weak. Wait for deep technical corrections between 364-365 to buy November contracts and try to sell around 367-368. Trade cautiously with very short-term outlook since technical picture is not very clear.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	364.8	363.1	367.9	379.1

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 soy futures settle mixed

Soy Futures settled mixed on Tuesday. The November Soybeans future at Chicago Board of Trade settled down 6.75 cents at \$5.845 per bushels, 3 cent off the high and 2.25 up from the low and January Soybeans settled down 7cent at \$5.9675, 2.75 cent up from the low and 12 off the high. December Soybean future settled down \$ 4.2 at \$171 per ton, \$ 0.1 up from the low and \$ 2.7 off the high. December Soybean Oil future settled up 0.05 cent at 24.44 cent per pound, 0.04 cent off the high and 0.33 cent up from the low. This has been noticed that the soybean market was weak due to lower energy prices and weak cash market of Soybean. At the end of the day, oil closed near the high of the day prices and meal closed near to low price of the day due to weak demand of soy meal. The harvesting of soybean is progressing in US. As on Sunday, 76 per cent of soy crop harvested as compared 60 per cent in the previous week. Demand of soybean is good from the China. China is the major importer of US soybean. It was reported in the weekly inspection report that the China alone imported 20.4 million bushels out of the total export of 32 million bushels.

CBOT Soy oil futures as 18.10.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	24.39	24.23	24.47	24.12	+0.05	24.44
Jan'06	24.70	24.45	24.72	24.37	+0.01	24.71
Mar'06	24.88	24.65	24.98	24.52	+0.06	24.94
May'06	25.00	24.80	24.98	24.67	-0.02	24.98

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Higher

South American Soy future settled higher on Tuesday. The November South American Soybean future settled 3 cents higher at \$ 6.63 per bushel. There are more prospects of soy production in Brazil. The soil moisture looks favourable for the early planting of soy crop in Brazil. The demand of Soybean was low in Europe due to apprehension of bird flu. If the flu continues to spread among birds, the impact on commodities might be limited to feed grains and livestock demand, but if the flu spreads from human to human then all commodity markets could suffer. There was increasing support of soy oil among buyers on Monday only due to strength in energy complex, traders are reviving for a negative reaction on Tuesday to lower energy values as the hurricane appears headed for Florida, not the central gulf. The buying funds were of near 2500 soybeans, 4000 oil and sellers of near 1500 meal. The weekly crop progress report showed that the US soybean crop harvest was 76% as compared with 75-85% expected.

BMD Crude Palm oil Futures Settle Down on Export Concerns

Crude palm oil futures on the Bursa Malaysia Derivatives settled lower on Wednesday. Benchmark January CPO contract settled off MYR11 at MYR1,439 per metric tonne. The SGS (Malaysia)

Bhd. will issue its estimate for palm oil export from Malaysia for first 20 days of October on Thursday. Traders are expecting this figure to come in the range of 770,000 to 780,000 tons. These figures are bit disappointing. In the first 20 days of September this MPO export was close to 780,000 tons. In the first two-week of October, exports were stronger than the same period of September month. Concern over likely decline in export numbers shadowed the bio-fuel theme.

KLCE CPO Futures (19.10.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1448	1440	1444	1441	1436	-12	598
Dec '05	1449	1445	1449	1435	1438	-11	1706
Jan '06	1450	1449	1451	1435	149	-11	3741
Feb '05	1450	1451	1451	1437	1439	-12	163

BMD remains closed on Saturday and Sunday.

Palm Oil

The SGS (Malaysia) Bhd. will issue its estimate for palm oil export from Malaysia for first 20 days of October on Thursday. Traders are expecting this figure to come in the range of 770,000 to 780,000 tons. These figures are little bit disappointing. In the first 20 days of September this MPO export was close to 780,000 tons. In the first two-week of October, exports were stronger than the same period of September month. Concern over likely decline in export numbers shadowed the bio-fuel theme. The prices were likely unchanged at the spot market

FOB prices of CPO (Nov) were quoted at \$ 375 per tonne and RBD Palmolein at \$ 412 per tonne.

It is expected that prices of palm oil at spot market would open in range bound.

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

Centres	19.10.05	18.10.05	Change
Kandla CPO (5 % FFA)	341	341	0
Kandla RBD Palmolein	370	363	+7
Mumbai RBD Palmolein	376	376	0
Chennai RBD Palmolein	385	385	0
Kakinada RBD Palmolein	381	381	0

Revised tariff rate on 15.10.2005 by the GOI.

Unit: in US \$ MT

Commodity	Revised tariff rate w.e.f. 15.10.05	Previous tariff rate	Difference (US \$)
CPO palm oil	426	402	24
Crude palmolein	438	418	20
RBD palm oil	436	420	16
RBD Palmolien	447	430	17
Crude soybean oil	518	508	10

Soy oil

The domestic market sentiment of soybean is slightly bearish due to the harvesting of new crop started in major producing states of soybean in India and arrival of soybean is increasing day by day, the arrival of soybean is approximately 4 to 5 lakh quintal in India. The crushing of soybean is also started. The prices of November soy future were down before noon at NBOT, while it was high at the end of the day.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 336 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 527 per tonne.

The market sentiment of soybean is expected to open in range bound.

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

Centres	19.10.05	18.10.05	Change
Mumbai (Soy ref)	369	368	+1
Indore (Soy Ref oil)	361	365	-4
Indore (Soy Solvent Ex. oil)	339	343	-4
Kota (Soy Ref. Oil)	367	370	-3
Jaipur (Soy Ref. Oil)	372	373	-1
Nagpur (Soy ref. Oil)	365	366	-1

NBOT Soy oil futures as on 19.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Nov '05	365.40	364.00	366.50	363.80	+0.9	366.40	41930
Dec '05	367.80	367.20	370.70	366.80	+2.9	370.70	3200

NCDEX Soy oil futures as on 19.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	364.25	362.20	362.50	361.40	362.00	2960	5160
Nov 05	365.60	365.10	367.15	364.00	366.70	11340	23480

Rape/Mustard oil

The spot market prices of mustard oil were slightly bearish. The NAFED has the stock about 21 lakh tonnes of mustard seeds and private stockist has the stock approximately 15 lakh tonnes. The harvesting of soybean and groundnut already started in major producing states and crushing is also started of the same. The availability of other edible oil at low prices in comparison to mustard oil. The above-mentioned factors could decline the mustard oil prices even in high festival demands through out the India.

The market sentiment of all vegetable oil is expected to bearish due to huge stock of mustard seeds and availability of other edible oil.

Spot Market Price (Rs. per 10 kg)

Centres	19.10.05	18.10.05	Change
Mumbai (Rape Expeller Oil)	380	380	0
Kota (Rape Expeller Oil)	372	375	-3
Jaipur (Rape Expeller Oil)	383	385	-2
Delhi (Rape Expeller Oil)	406	406	0
Neewai (Kacchi Ghani Rape Oil)	393	395	-2

Groundnut oil

The spot market prices of groundnut oil were likely unchanged. The harvesting of new crop is started in Gujarat. Gujarat is the major producer of groundnut. The earlier expectation was prices will decline due to more supply of groundnut. But according to local traders yield of groundnut is less than expectation, due to less yield the prices may be stable. The arrival of groundnut is increasing day-day. The total production of groundnut was estimated approximately 22 lakh tonnes in Gujarat. But due to reduction in groundnut yield it may go down about 5 per cent. It expected to open market in range bound.

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

Centres	19.10.05	18.10.05	Change
Mumbai (Normal)	510	512	-2
Mumbai (Good Quality)	525	525	0
Rajkot	525	525	0
Andhra Region	525	525	0
Chennai	495	490	+5

LATEST WEATHER WATCH (19.10.2005)

Weather Forecast

The Western Disturbance as an upper air system over extreme northwest Jammu & Kashmir has moved away northeastwards. Consequently dry weather conditions are likely over the state during next 3-4 days.

The night temperatures over Jammu & Kashmir have fallen by 1-3 °C. They may fall further for another 1-2 days after which they are likely to stabilize.

The feeble low pressure area over southwest and adjoining west central Bay of Bengal off south Andhra - north Tamil Nadu coasts persists. Under its influence fairly widespread rainfall with isolated heavy falls is likely over south Peninsula during next 48 hours.

The upper air cyclonic circulation over East Uttar Pradesh and neighbourhood has become less marked.

Forecast valid for next 72 hours

NORTH: Rain/ thundershowers likely at a few places over East Uttar Pradesh and isolated over Uttaranchal. Mainly dry weather likely in the rest region.

EAST: Rain/thundershowers likely at most places over Gangetic West Bengal; at many places over northeastern states, Sub-Himalayan west Bengal & Sikkim, Jharkhand and Orissa; at a few places over the rest region outside East Madhya Pradesh and Chhattisgarh where it may be isolated. Increase in rainfall over West Bengal, Sikkim and northeast India after 24 hours.

SOUTH: Rain/thundershowers likely at most places over Coastal Andhra Pradesh and coastal Tamil Nadu & Pondicherry; at many

places over the rest region outside Kerala where it may be at a few places.

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

Heavy Rainfall Warning

Heavy to very heavy rainfall is likely at a few places over Gangetic West Bengal. Isolated heavy rainfall also likely over Sub-Himalayan West Bengal & Sikkim, northeastern states, Coastal Tamil Nadu, Coastal Andhra Pradesh and coastal Orissa.

Outlook for subsequent two days based on NCMRWF and other numerical weather products:

Moderate rainfall activity over northeast & south Peninsular India is likely to continue.

Source: IMD, GOI.

PORT-WATCH (Latest) :

Kandla Port is receiving 6,500 MT of palm oil from the vessel 'Global Eos'. The cargo was loaded from Malaysia. The vessel is being handled by Forbes Gokak agents.

Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'Filma Satu'. GAC agents is handling the vessel.

'Spring Glory' has berthed at Chennai Port and continues to discharge 7,250 MT of palm oil.

JN Port is receiving 9,000 MT of CPO from the vessel 'Global Venus'. Patvolk agents is handling the vessel.

Kakinada Port is expecting 'L Star' and 'Spring Wind' to deliver 6,900 MT and 7,000 of CPO respectively.

Mumbai Port is expecting 'Shimakaze' to deliver 16,501 MT of palm oil. InterOcean agents will be handling the vessel.

Delivery of 16,686 MT of CPO is expected at Mundra Port from the vessel 'Gemini'. Taurus agents will be handling the vessel.

Tuticorin Port is expecting 'Global Saturn' to discharge 7,000 MT of palm oil. St.John agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Filma Satu	6000	CPO	Arrived
	Spring Glory	7250	Palm oil	Arrived
Kandla	Pacific Sound	12750	CPO	Expected
	Global Eos	6500	Palm oil	Arrived
JN	Florida	11000	SBO	Expected
	Global Venus	9000	CPO	Arrived
Tuticorin	Mega Crown No.1	1850	Palm oil	Expected
	Global Saturn	7000	Palm oil	Expected
Mumbai	Pacific Sound	1000	Palm oil	Expected
	Shimakaze	16501	Palm oil	Expected
Mundra	Gemini	16686	CPO	Expected
Kakinada	L Star	6900	CPO	Expected
	Spring Wind	7000	CPO	Expected

Forex Rates

(As on 19.10.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.11
Malaysia	Ringgit	11.99
European Union	Euro	54.10
United Kingdom	Pound Sterling	78.96
Japan	100 Yen	39.10

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