

VEGOIL

17th October 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Settle Slightly Down
- Soyoil Future Settle Slightly Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Technical Analysis for November Contract:

1. The MACD, continues to climb upwards in negative territory and remains above the signal line. Medium term outlook is bullish.

2. The stochastics oscillator has entered overbought region and is beginning to slow down. Mild short term bullishness is indicated.

3. The price closed strongly above the 9-day and 18-day EMAs. Also, the 9-day EMA has finally pierced through the 18-day EMA and made a bullish crossover. Both these are good signs for medium term bullishness.

The rally has become much stronger than seen last week. The prices closed well above the support line which it was straddling on Saturday. Further bullishness is likely.

Market advice:

The short to medium term outlook is bullish and you should remain long if already having long positions. For new long positions, try to enter at 366.5-367 levels (November contract).

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Oct '05	362.8	361.4	365.4	366.7
NCDEX	Nov'05	366.3	364.8	368.8	370.0

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 oil futures as 14.10.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Oct	23.80	23.45	24.10	23.00	-0.35	23.45
5-Dec	23.89	23.93	24.95	23.58	+0.14	24.03
6-Jan	24.16	24.13	24.30	23.81	+0.11	24.27
6-Mar	24.33	24.35	24.48	24.00	+0.13	24.46

CBOT remains closed on Saturday and Sunday.

BMD Crude Palm Oil Futures Settle slightly Down

Crude palm oil futures at the Bursa Malaysia Derivatives closed with little change on Monday. Benchmark January future settled off MYR1 at MYR1451 per ton. Market had no clear direction to move either way. Export figures released by SGS were friendly. SGS estimated the export of Malaysian palm oil in first 15 days of October at 640,553 ton, up against 630,627 ton exported during the corresponding period last month. However, export report was shadowed by news of hike in tariff value for palm oil by Indian government. On Saturday, Indian government raised tariff value for CPO by \$24 per ton and for RBD Palm olein by \$17 per ton. However, government raised tariff value on soyoil merely by \$10 per ton, thereby cutting competitiveness of palm oil versus soy oil.

KLCE CPO Futures (17.10.2005)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1451	1448	1450	1447	1450	-1	66
Dec '05	1453	1448	1451	1446	1450	-3	756
Jan '06	1452	1449	1453	1446	1451	-1	570
Feb '05	1457	1450	1453	1449	1450	-7	49

BMD remains closed on Saturday and Sunday.

Palm Oil

SGS estimated the export of Malaysian palm oil in first 15 days of October at 640,553 ton, up against 630,627 ton exported during the corresponding period last month. However, export report was shadowed by news of hike in tariff value for palm oil by Indian government. On Saturday, Indian government raised tariff value for CPO by \$24 per ton and for RBD Palm olein by \$17 per ton. The spot market prices of palm oil are mildly towards up direction.

FOB prices of CPO (Oct) were quoted at \$ 380 per tonne and RBD Palmolein at \$ 417 per tonne.

It is expected that the domestic market may be bullish due to hike in base prices by government of India on the import of palm oil as well as festival demands throughout India.

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

Centres	17.10.05	15.10.05	Change
Kandla CPO (5 % FFA)	338	332	+6
Kandla RBD Palmolein	363	361	+2
Mumbai RBD Palmolein	375	370	+5
Chennai RBD Palmolein	378	376	+2
Kakinada RBD Palmolein	378	375	+3

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 spot market price of soyoil is slightly increased due to increasing support from the buyers owing to festival demand throughout India. The harvesting of new crop started in major producing states of soybean in India and arrival of soybean is increasing day by day, but right now it is not fit for crushing due to moisture. Refined oils share in imports has decreased to 9 per cent from 18 per cent, while that of crude oils has increased to 91 per cent from 82 per cent, only due to duty difference leading to value addition within the country. The base import price of crude soybean oil has been raised to \$518/tonnes from \$508/tonnes. The prices of soyoil futures were also high at NBOT.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 338 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 520 per tonne.

The market sentiment of soyoil is expected to bullish only for short period due to above-mentioned factors.

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

Centres	17.10.05	15.10.05	Change
Mumbai (Soy ref)+VAT	351	349	+2
Indore (Soy Ref oil)	364	362	+2
Indore (Soy Solvent Ex. oil)	342	340	+2
Kota (Soy Ref. Oil)	368	365	+3
Jaipur (Soy Ref. Oil)	371	370	+1
Nagpur (Soy ref. Oil)	364	363	+1

NBOT Soy oil futures as on 17.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Nov '05	365.90	367.00	368.60	366.80	+1.4	367.30	24090
Dec '05	367.90	369.30	370.00	368.90	+1.5	369.40	970

NCDEX Soy oil futures as on 17.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	363.45	360.00	365.75	360.00	364.70	2380	7570
Nov 05	366.30	366.00	368.65	366.00	367.55	13850	24420

Rape/Mustard oil

The spot market prices of mustard oil were continued at range bound amidst increasing support from buyers due to festivals in India. The prices of mustard oil were little bit high due to hike in the base prices on import palm oil and soyoil.

The market sentiment of all vegetable oil is expected to bullish due to high demands of vegetable oil during the festivals.

Spot Market Price (Rs. per 10 kg)

Centres	17.10.05	15.10.05	Change
Mumbai (Rape Expeller Oil)	376	378	-2
Kota (Rape Expeller Oil)	375	375	0
Jaipur (Rape Expeller Oil)	386	383	+3
Delhi (Rape Expeller Oil)	405	402	+3
Neewai (Kacchi Ghani Rape Oil)	394	393	+1

Groundnut oil

The spot market price of groundnut oil is in range bound. It was expected that the supply would increase due to harvesting of new crops of groundnut. But at present, the yield of groundnut may reduce than estimation due to some disease or rain. According to local traders, if yield will reduce then prices will not go down even in harvesting period.

There is no clear-cut direction about the price trend due to weather gamble and low yield than estimated yield.

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

Centres	17.10.05	15.10.05	Change
Mumbai (Normal)	510	510	0
Mumbai (Good Quality)	518	522	-4
Rajkot	520	525	-5
Andhra Region	520	510	+10
Chennai	485	480	+5

LATEST WEATHER WATCH (17.10.2005)**Weather Forecast**

The upper air cyclonic circulation extending upto mid-tropospheric levels over east central Arabian Sea and adjoining Konkan coast now lies over East Madhya Pradesh & adjoining Vidarbha and

extends upto 3.1.km a.s.l. Under its influence scattered rainfall activity is likely over central India during next 24 hours. Subsequently, this activity is likely to shift northeastwards to Northeastern States, West Bengal, Bihar and Jharkhand.

The well marked low pressure area over western parts of southeast and adjoining eastcentral Arabian Sea now lies over eastcentral Arabian Sea

The Western Disturbance as an upper air system over North Pakistan and adjoining Jammu & Kashmir now lies over extreme northwest Jammu & Kashmir. The induced upper air cyclonic circulation lies over central Pakistan upto 3.1 km a.s.l. persists. The trough in westerlies with its axis at 500 hpa now lies roughly along 72 degree east and north of 30 degree north.

As these systems are likely to move eastwards the rain/snow activity over Jammu & Kashmir will reduce considerably after next 24 hours leading to fall in temperature over northwest India.

An upper air cyclonic circulation lies over central parts of south bay of Bengal extending in middle tropospheric levels. Under its influence the rainfall activity over east coast is likely to increase from 19th.

Forecast valid for next 72 hours

NORTH: Rain/snow likely at a few places over higher reaches of Jammu & Kashmir and isolated over rest Jammu & Kashmir & Himachal Pradesh. Isolated to scattered rain/ thundershowers likely over Uttaranchal and East Uttar Pradesh after 48 hrs. Mainly dry weather likely in the rest region.

EAST: Rain/thundershowers likely at many places over Chhattisgarh; at a few places over the rest region with increase in rainfall over Bihar, Jharkhand and northeast India after 24 hours.

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands and at a few places over Telangana and isolated in the rest region. Rainfall over Coastal Andhra Pradesh and Tamil Nadu likely to increase from 19th.

WEST: Rain/thundershowers likely at many places over Vidarbha; at a few places over Marathawada and isolated over rest Maharashtra and southwest Madhya Pradesh. Mainly dry weather is likely over the rest region. The rainfall over Vidarbha and Marathawada is likely to decrease after 24 hrs.

Heavy Rainfall Warning

Isolated heavy rainfall likely over Chhattisgarh and Andaman & Nicobar Islands.

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

Rainfall activity over north-east India and south Peninsula is likely to increase.

Source: IMD, GOI.

PORT-WATCH (Latest) :

Delivery of 6,100 MT of palm oil is continuing at Chennai Port from the vessel 'Star Orion'. The vessel is being handled by Seaport agents. 'Spring Glory' has berthed at the port and continues to discharge 7,250 MT of palm oil. The port received 6,500 MT of palm oil from the vessel 'Bum Ik'. Interocean handled the vessel.

Kandla Port is expecting 'Global Eos' to deliver 6,500 MT of palm oil. The cargo was loaded from Malaysia. The vessel will be handled by Forbes Gokak agents. Delivery of 6,000 MT of CPO is continuing at the port from the vessel 'Cheras'. Seaport agents is handling the vessel. The port is receiving 5,900 MT of CPO from the vessel 'Tirta Niaga I'. GAC agents is handling the vessel.

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

	Global Eos	6500	Palm oil	Expected
	Cheras	6000	CPO	Arrived
	Tirta Niaga I	5900	CPO	Arrived
JN	Florida	11000	SBO	Expected
Tuticorin	Mega Crown No.1	1850	Palm oil	Expected
Mumbai	Pacific Sound	1000	Palm oil	Expected
	Shimakaze	16501	Palm oil	Expected

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Star Orion	6100	Palm oil	Arrived
	Spring Glory	7250	Palm oil	Arrived
	Bum Ik	6500	Palm oil	Arrived
Kandla	Pacific Sound	12750	CPO	Expected
	Cheras	6000	CPO	Arrived

Forex Rates (As on 17.10.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.82
Malaysia	Ringgit	11.89
European Union	Euro	54.15
United Kingdom	Pound Sterling	79.17
Japan	100 Yen	39.22

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