

VEGOIL

1st October 2005

MAJOR ACTIVITY HIGHLIGHTS

- Govt revises tariff value for palm oil and products
- Soyoil prices moderately up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Soyoil October contract remained strong throughout the session period and settled on higher side than yesterday's close at 363.75 today. Soyoil prices are strong amidst strong support from domestic exchanges and CBOT where the prices raised.

The 7-day MA is going to upward after cutting the 14-day MA from down, supporting upward movement in the soyoil futures. However, the 14-day MA is still moving downwards, showing weakness in the futures price trends.

The MACD is going to upward and remained above its EMA, indicating bullish trend in the coming days.

The 9-days Price ROC is going to up 1.449, indicating strong bullish sentiments of the prices. The 9-day RSI is moving upwards in the neutral region to a level of 58.26 supporting the bullish sentiments in the market prices.

The % K-line is going to upward after cutting the % D-line from down but remained in neutral region, hinting long-term bullishness in the prices.

The candlestick is indicating bullish market sentiments due to the buyers were more aggressive than that of sellers and throughout the session period, buyers controlled the prices. Hinting bullishness of the prices.

Market advice:

Market is expected to open above and remain bullish for Monday.

Remain long; buying in the opening session might be yielding some profit in the short term.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Oct' '05	369.09	370.53	365.8	364.98

Abbreviations:

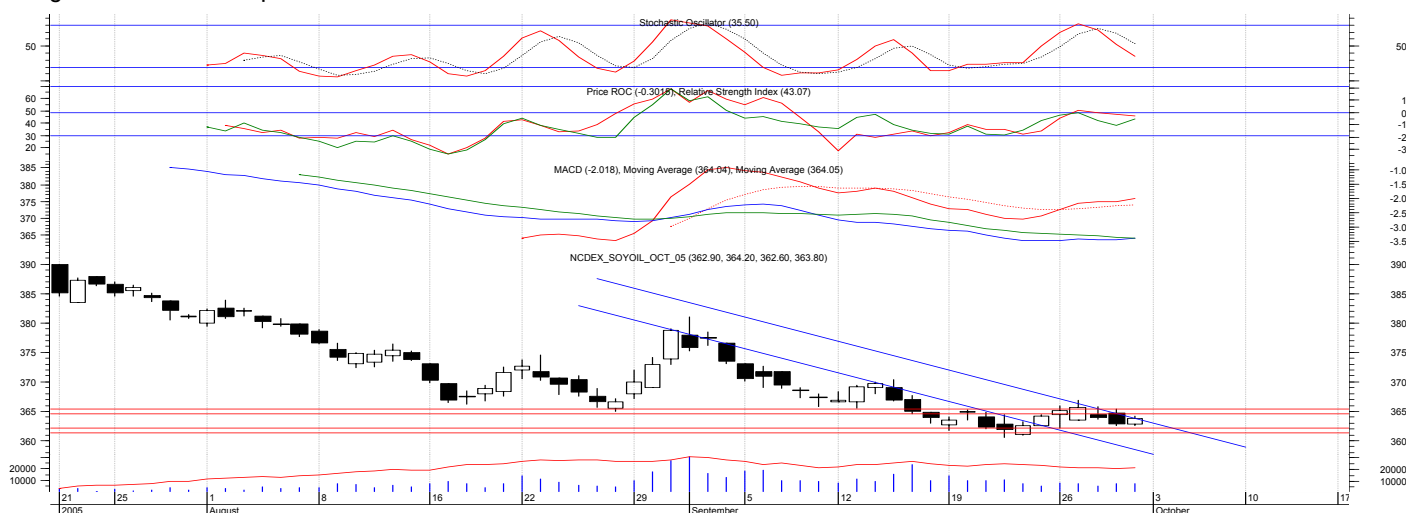
ROC - Rate of Change

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 higher

Soybean futures at Chicago Board of Trade settled higher on friendly stock report. November soybean future settled up 12.75 cents at \$5.7325 and January soybean up 13 cents at \$5.8325 per bushel. December soymeal closed up \$0.2 at \$170.4 per ton and Soyoil up 1.09 cents at 23.95 cents per pound. The US Department of Agriculture pegged the US soybean stocks for September 1st at 255 million bushels, down against trade expectations at 294 million bushels. However, figures were up significantly compared to a year ago stock of 112 million bushels. USDA in its last report estimated the soybean production at 77 million ton. So, production figures likely to keep the futures under pressure.

CBOT Soy oil futures as 30.09.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Oct	22.55	22.88	23.75	22.88	1.17	23.72
5-Dec	22.86	23.10	24.00	22.86	1.09	23.95
6-Jan	23.06	23.35	24.22	23.06	1.15	24.21
6-Mar	23.25	23.52	24.32	23.15	1.07	24.32

CBOT remains closed on Saturday and Sunday.

South American Soybean Ends Slightly Up

November soybean prices were slightly higher in South American market. Taiwan bought 60,000 tonnes of US soybeans. China has reportedly booked 50,000-100,000 tonnes of soymeal from India over the past month. The US soybean production in 2004 was lowered by 17.3 million bushels to 3.124 billion the previous estimate of soybean production was 3.141 billion bushels. The US market on Thursday unable to hold early gains even the energy markets could not boost the soybean oil prices, it is clear that the bear camp continues to control prices. US market was expecting prices of soybean would be slightly high due to better export of US soybean from Taiwan i.e. 60,000 ton.

The COT report to be released after the close today might show a moderate increase in the spec short position, as soybeans fell 15 cents within the reporting period.

BMD Palm oil Futures Look For Direction

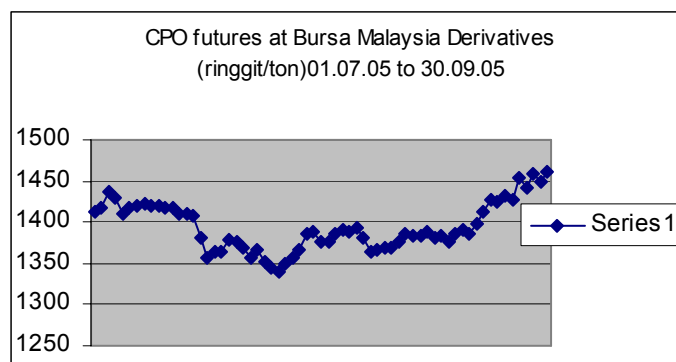
Crude Palm oil Futures at Bursa Malaysia Derivatives settled higher on Friday notwithstanding bearish export report. Benchmark December future settled up MYR12 at MYR1460 per ton. Gains were made mostly on speculative factors. Biodiesel theme helped improving futures. So far, use of palm oil in biodiesel is very low. Early this week, government disclosed its plan to erect three big plants to convert palm oil into diesel. Traders feel that future is not very gloomy despite comfortable production. However, strategies are merely on papers. Idea fueled from the remarks of Malaysian Prime-minister in his federal government budget speech presented today. Prime Minister said that policies on bio-fuel would be drafted by year-end. Overnight increase in crude oil prices boosted the concept of likely increase bio-diesel usage. November Crude oil futures at New York Mercantile Exchange gained 44 cents per barrel.

Market candidly ignored the bearish export report. SGS estimated the Palm oil export from Malaysia in September at 1.21 million ton, which traders feel was not enough to offset the production.

KLCE CPO Futures (30.09.05) (In Ringgit /Ton)

Months	Previous	Open	High	Low	Change	Close
Oct '05	1435	1442	1449	1442	14	1449
Nov '05	1444	1444	1455	1443	11	1455
Dec '05	1448	1448	1460	1441	12	1460

BMD remain closed on Saturday and Sunday.



Domestic:

Palm oil

The prices of palm oil market continued up trend. Palm oil prices were high due to increase in tariff by Government of India and another important reason is that Dushehra festival demands are high for palm oil especially in south India. Traders are expecting the prices will continue higher due to more popularising concept of bio-diesel.

FOB prices of CPO (Oct) were quoted at \$ 375 per tonne and RBD Palmolein at \$ 415.00 per tonne.

Sentiment of global palm oil markets is bullish, due to bio-fuel factor.

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

Centres	01.10.05	30.09.05	Change
Kandla CPO (5 % FFA)	326	324	+2
Mumbai CPO (5% FFA)	-	-	-
Kandla RBD Palmolein	357	354	+3
Mumbai RBD Palmolein	364	362	+2
Chennai RBD Palmolein	364	358	+6
Kakinada RBD Palmolein	361	356	+5

New Tariff Values

S.No	Description of goods	Tariff value US\$ (Per Metric Tonne)
1	Crude Palm Oil	402
2	RBD Palm Oil	420
3	Others – Palm Oil	411
4	Crude Palmolein	418
5	RBD Palmolein	430

6	Others – Palmolein	424
7	Crude Soyabean Oil	508

Soy oil

The prices of soyoil are moderately high due to high prices in NBOT and hike in tariff rate also. It is expected soyoil prices continue to increase. Mainly soyoil is used for bio-diesel in USA. It will help to control the air pollution and reduce the dependency of crude oil from other countries. Probably, keeping these points in the mind government of USA is more concerned for popularising the same.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 328 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 522 per tonne.

The market is expected to bullish.

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

Centres	01.10.05	30.09.05	Change
Mumbai (Soy ref)	346	344	+2
Indore (Soy Ref oil)	364	360	+4
Indore (Soy Solvent Ex. oil)	344	349	-5
Kota (Soy Ref. Oil)	366	362	+4
Jaipur (Soy Ref. Oil)	369	368	+3

NBOT Soy oil futures as on 01.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	363.10	365.50	366.90	365.30	3.8	366.90	7630
Nov '05	361.00	363.70	366.90	363.50	5.5	366.50	25440
Dec '05	N.A	N.A	N.A	N.A	0	N.A	N.A

NCDEX Soy oil futures as on 30.09.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	362.90	362.90	364.20	362.60	363.75	4690	20790
Nov '05	360.70	360.20	362.70	359.80	362.10	9980	27850
Dec '05	361.65	362.05	363.75	361.30	363.40	1570	4080

Rape/Mustard oil

Market sentiments for rape/mustard oil was mixed. The prices of mustard oil were slightly down in the Kota and Jaipur market and on the other hand, the prices of rape/mustard oil were slightly high in Neewai (Tonk) and Delhi market. The prices of rape oil were remain unchanged in the Mumbai market. According to traders, arrival of mustard seeds in Delhi markets (Lawrence Rd, Najafgarh Rd and Narela) was 4000- 4500 bags, and the arrival of Shri Ganganagar market was approximately 150 bags. The rate of mustard seed was Rs.1575 /qtl in Shri Ganganagar market (Rajasthan), while MSP of Mustard seeds is Rs. 1715 has been fixed by the government of India.

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

Centres	01.10.05	30.09.05	Change
Mumbai (Rape Expeller Oil)	393	393	0
Kota (Rape Expeller Oil)	375	376	-1
Jaipur (Rape Expeller Oil)	382	384	-2
Neewai (Kacchi Ghani Rape Oil)	401	393	+8
Delhi (Rape Expeller Oil)	398	396	+2

Groundnut oil

Groundnut oil prices declined in Gujarat only, and in other market remained unchanged. According to traders there is no chance to firming up of the groundnut oil prices in coming days. Market is expecting increase in arrivals of Groundnut seeds as well as oil. Today's groundnut arrival was 5000 bags in Gujarat and it is expected to arrive 2 lakh bags of groundnut seeds and 60-70 tanker oil in next week only in Gujarat. On the basis of these factors we can say that there is chance of bearish market for groundnut oil.

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

Centres	01.10.05	30.09.05	Change
Mumbai (Normal)	499	498	+1
Mumbai (Good Quality)	530	-	-
Rajkot	510	520	-10
Andhra Region	510	510	0
Chennai	465	465	0

LATEST WEATHER WATCH (01.10.2005)

Weather Forecast

Southwest monsoon has further withdrawn from remaining parts of Uttaranchal & West Uttar Pradesh, some parts of East Uttar Pradesh & East Madhya Pradesh and some more parts of West Madhya Pradesh. The withdrawal line passes through Bahraich, Allahabad, Satna, Bhopal, Ratlam, Ahmedabad, Dwarka, 22° N/67° E and 22° N/60° E.

During past 24 hours, scattered rainfall has occurred over northeastern States, West Bengal & Sikkim, north Coastal Andhra Pradesh, Konkan & Goa and Madhya Maharashtra. Isolated pockets of north Tamil Nadu & adjoining South Interior Karnataka and Gujarat also received light to moderate rainfall. Chief amounts of rainfall (in cm) during past 24 hours are: Kalingapatnam-6, Visakhapatnam-5, Mayabandar-5, Tezpur-3, Bangalore-3 and Silchar-2.

Yesterday's low pressure area over westcentral Bay of Bengal now lies over westcentral & adjoining northwest Bay of Bengal off north Andhra Pradesh-south Orissa coast. The associated upper air cyclonic circulation extends upto mid-tropospheric levels. Under its influence fairly widespread rainfall with isolated heavy falls is likely over northeastern States, West Bengal & Sikkim and coastal Orissa during next 2-3 days.

The upper air cyclonic circulation over Saurashtra and adjoining east Arabian Sea persists and now extends between 1.5 and 3.1 km a.s.l.

Forecast valid for next 72 hours

NORTH : Mainly dry weather is likely in the region.

EAST : Rain/thundershowers likely at many places over northeastern States, West Bengal & Sikkim and coastal Orissa; at

a few places over rest Orissa and isolated over Bihar, Jharkhand and south Chhattisgarh. Mainly dry weather is likely in the rest region.

SOUTH : Rain/thundershowers likely at many places over north Coastal Andhra Pradesh; at a few places over Andaman & Nicobar Islands and Tamil Nadu & Pondicherry and isolated in the rest region.

WEST : Isolated rain/thundershowers likely over Konkan & Goa and Madhya Maharashtra. Mainly dry weather is likely in the rest region.

Warning

Isolated heavy rainfall likely over northeastern States, West Bengal & Sikkim and coastal Orissa.

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

Slight increase in rainfall over south Peninsula. Scattered rainfall activity is likely over northeastern States.

PORT-WATCH (Latest) :

Delivery of 8,000 MT of SBO is continuing from the vessel 'Bryggen' at Kandla Port. The cargo was loaded from Argentina. Interocean agents is handling the vessel. The port is receiving 5,650 MT of SBO from the vessel 'Azteca'. The cargo was loaded from USA. JM Baxi agents is handling the vessel. 'Storm' from Argentina has berthed at the port and continues to deliver 22,750 MT of SBO. The vessel is being handled by Interocean agents. Delivery of 10,000 MT of CPO is expected at the port from the vessel 'Southern Unicorn'. The cargo was loaded from Dumai. Atlantic agents will be handling the vessel. The port is expecting 'Florida' from Brazil to deliver 20,000 MT of SBO. Another vessel, 'Cretec' from Argentina is expected at the port to deliver 19,750 MT of SBO. These vessels will be handled by Interocean agents. 'Eastern Amenity' has berthed at Mumbai Port and continues to discharge 8,520 MT of palm oil. GAC agents is handling the vessel.

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

Kakinada Port is receiving 7,000 MT of CPO from the vessel 'Spring Glory'.

'Stlot Guardian' has berthed at Kolkata Port and continues to discharge 21,000 MT of SBO. JM Baxi agents is handling the vessel. 'MMM Jackson' is expected at the port to discharge 6,000 MT of CPO. Seaport agents will be handling the vessel.

Delivery of 6,000 MT of CPO is expected at New Mangalore Port from the vessel 'Ace I'. The vessel will be handled by Interocean agents.

Forex Rates

(As on 01.10.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.02
Malaysia	Ringgit	11.68
European Union	Euro	52.95
United Kingdom	GBP	77.67
Japan	100 Yen	38.79

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Azteca	5650	SBO	Arrived
	Spring Wind	4750	SBO	Arrived
	Global Eos	5500	CPO	Arrived
	Bryggen	8000	SBO	Arrived
Kolkata	MMM Houston	6000	CPO	Arrived
	MMM Jackson	6000	CPO	Expected
	Stlot Guardian	21000	SBO	Expected
Mumbai	Eastern Amenity	8520	Palm oil	Arrived
JN	Storm	22750	SBO	Arrived
Cochin	Cheras	5890	Palm oil	Arrived
New Mangalore	Ace I	6000	CPO	Expected
	Bumik	6500	CPO	Arrived
Kakinada	Spring Glory	7000	CPO	Expected
	Stana 6	6000	CPO	Arrived
Tuticorin	Khadijah	6300	Palm oil	Expected

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