

VEGOIL

27th October 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD Crude Palm Oil Future Settled Up
- CBOT Soyoil Futures Settled Down

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Technical Analysis for November Contract:

1. The MACD continues to head down below its signal line indicating medium term weakness.
2. The stochastics oscillator continues to move down in oversold territory. This often signals a reversal with confirmation occurring on the next bar.
3. Prices are far below the 9-day and 18-day EMA and the EMA pattern shows medium term weakness.

Market advice: Since prices are in a downtrend it is better to stay away.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	355.95	354.50	358.40	359.40

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 Future Settled Down

November soy future settled down at Chicago Board of Trade on Wednesday. November soybean closed down 6.5 cents at \$ 5.715 per bushels, 7 cent off the high and 0.5 cent up from the low and January Soybeans settled down 6.75 cent at \$ 5.835 per bushel, 7.5 cent off the high and 0.5 up from the low. December Soybean settled down \$ 1.6 at \$ 169.3 per metric tonnes, \$ 0.3 up from the low and \$ 2.0 off the high and December Soybean Oil settled down 0.25 cent at 23.53 cent per pounds, 0.14 cent off the high and 0.12 cent up from the low. There is still focus on US soybean market even when more than 85 per cent of Soybean harvesting is over. The prices declined as the earlier rumours of Chinese buying interest of US Soybean. Moreover there was low demand due to fear of bird flu and uncertainty among poultry consumers. Followed by decline in energy prices yesterday. Traders are expecting sales of soybean of around 0.85-1.05 million tonnes as compared with 0.8887 million tonnes last week. Meal sales are expected around 1-2 lakh tonnes and oil sales around 3,000-8,000 tonnes. Traders are looking for USDA 's Weekly export sales report for Soybean today.

CBOT Soy oil futures as 26.10.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	23.78	23.58	23.67	24.41	23.53	-0.25
Jan'06	24.00	23.85	23.89	23.62	23.72	-0.28
Mar'06	24.22	24.00	24.09	23.83	23.94	-0.28
May'06	24.40	24.15	24.25	24.00	24.10	-0.30

CBOT remains closed on Saturday and Sunday.

South American Soy Future Settled Slightly Up

South American soy future settled slightly up on Wednesday. November South American soybeans settled 3 .5 cents higher at \$ 6.42 per bushel, 4 .5 cents off of the highs. Volume of trade was 75 contracts. The traders are looking towards the first official production forecast of the government of Brazil for the year 2005-06 which is to be released on November 3, 2005. The private traders estimate of this week for soybean production in Brazil varies between 52.7 - 59.6 million metric tonnes as compared with 60 million metric tonnes from the US Department of Agriculture. The South American Market has taken upward correction. World ending stocks are expected to be record high of around 47.4 million tonnes in 2005-06 as compared with 43 million this season and 35.2 million for the 2003-04 season. Trader's attention is shifting towards the South American Soybean market from US soybean market, on reports of completion of 87 per cent of soybean harvesting in USA.

BMD Crude Palm Oil Future Settled Up

Crude palm oil future settled up on the Bursa Malaysia Derivatives today. The benchmark January CPO contract settled at MYR1435 per metric ton, it is up MYR17 from yesterday. The crude palm oil prices suddenly jumped on rumour of reduction in import duties on palm oil by government of India. The crude palm

oil prices opened in positive territory and it was positive whole day while soybean oil future settled in negative. However, there is no official announcement yet about the reduction of duties on palm oil import. India currently imposes import duties of 80-to-90% on CPO and various palm oil products. If the government of India reduces the import duties on palm oil then there is a possibility to increase the market share of palm oil in India. India is the world's biggest importer of edible oil. Today's volume of trade totaled 6,099 lots compared with 1,396 lots yesterday. Open interest of today was totaled 24,323 lots compared with 25,594 lots.

KLCE CPO Futures (27.10.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1418	1428	1437	1427	1435	+17	428
Dec '05	1418	1422	1437	1422	1432	+14	1053
Jan '06	1418	1420	1437	1420	1435	+17	4202
Feb '06	1418	1420	1437	1420	1434	+16	385
Mar '06	1418	1420	1436	1420	1434	+16	25

BMD remains closed on Saturday and Sunday.

Palm Oil

The spot market prices are continued range bound. The bumper harvesting of new crops of soybean and groundnut in major producing states of India will bring negative impact on prices. There was a bit high price of palm oil in Chennai market only due to heavy rainfall there. However, the crude palm oil prices suddenly jumped on BMD, Malaysia on rumour of reduction in import duties on palm oil by government of India. So far there is no official announcement yet about the reduction of duties on palm oil import. India currently imposes import duties of 80-to-90% on CPO and various palm oil products. India is the world's biggest importer of edible oil.

FOB prices of CPO (Nov) were quoted at \$ 372 per tonne and RBD Palmolein at \$ 410 per tonne.

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

Palm oil - Spot Market Price

(Rs. per 10 kg)

Centres	27.10.05	26.10.05	Change
Kandla CPO (5 % FFA)	335	336	-1
Kandla RBD Palmolein	363	368	-5
Mumbai RBD Palmolein	370	370	0
Chennai RBD Palmolein	380	379	+1
Kakinada RBD Palmolein	373	375	-2

Soy oil

The prices of soy oil at domestic market are slightly declined. Soybean oil prices are declined only due to harvesting and crushing of soybean and groundnut is on peak. The arrival of soybean is increasing day by day in major producing states of India. The arrival of soybean was 3.00 lakh, 2.25 lakh and 1.5 lakh quintal in Madhya Pradesh, Maharashtra and Rajasthan respectively. The more supply of soybean seeds will have

negative impact on soybean oil prices. Soy future settled at lower on Chicago board of Trade also.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 337per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 518 per tonne.

The market sentiment of soyoil is expected to open range bound.

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

Centres	27.10.05	26.10.05	Change
Mumbai (Soy ref	362	363	-1
Indore (Soy Ref oil)	351	352	-1
Indore (Soy Solvent Ex. oil)	324	324	0
Kota (Soy Ref. Oil)	358	359	-1
Jaipur (Soy Ref. Oil)	363	361	+2
Nagpur (Soy ref. Oil)	355	355	0

NBOT Soy oil futures as on 27.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Nov '05	357.70	357.00	357.00	355.10	356.30	-1.4	27530
Dec '05	361.70	359.30	360.50	358.30	360.50	-1.2	10130

NCDEX Soy oil futures as on 27.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	357.80	357.35	357.95	355.50	357.40	11370	19700
Dec 05	360.30	359.10	361.15	357.45	360.70	7910	19790

Rape/Mustard oil

The spot market price of mustard oil remained range bound. The harvesting and crushing of soybean and groundnut in major producing states of India is the major cause for bit decline in the mustard oil prices. The groundnut oil and soyoil are the perfect substitute of mustard oil. Both are easily available in the market at reasonable rate. The price of mustard oil rage bound despite of high demand of edible oil in religious festivals only due to bumper harvesting of soybean and groundnut in major producing states of India.

The market sentiment of mustard oil is expected to open range bound.

Spot Market Price (Rs. per 10 kg)

Centres	27.10.05	26.10.05	Change
Mumbai (Rape Expeller Oil)	375	375	0
Kota (Rape Expeller Oil)	376	373	+1
Jaipur (Rape Expeller Oil)	377	378	-1
Delhi (Rape Expeller Oil)	395	397	-2
Neewai (Kacchi Ghani Rape Oil)	382	382	0

Groundnut oil

The spot market price of groundnut oil slightly declined except Chennai market. Groundnut oil prices declined only because the harvesting of groundnut is on peak in Gujarat states. Gujarat is major producing state of groundnut. The arrival of groundnut was 2.00 lakh bags (1 bag =35 Kg) and groundnut seed price was Rs.18 per Kg. in Gujarat state. There was steady market of Chennai only due to heavy rainfall in Tamil Nadu states and buying support on festive demands.

The market sentiment of groundnut oil expected to open range bound.

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

Centres	27.10.05	26.10.05	Change
Mumbai	512	513	-1
Rajkot	488	490	-2
Andhra Region	520	522	-2
Chennai	485	480	+5

LATEST WEATHER WATCH (26.10.2005)

Weather Forecast

The well marked low pressure area over southeast and adjoining southwest Bay of Bengal has concentrated into a depression and lies centred today morning at 0830 hrs IST near Lat 12 N /Long 84.5 E about 500 km east southeast of Chennai. The system is likely to intensify further and move in a northwesterly direction initially. Under its influence widespread rains with heavy to very heavy falls is likely over Coastal Andhra Pradesh, Rayalaseema and north coastal Tamil Nadu during next 2-3 days. Heavy rainfall also likely over south coastal Tamil Nadu and South Interior Karnataka for another 24- 36 hours. As the system moves northwestwards, the rainfall activity over Tamil Nadu and South Interior Karnataka is likely to ease and extend northwards along the east coast to coastal areas of Orissa and West Bengal.

The western disturbance as an upper air system over North Pakistan and neighbourhood persists. The induced cyclonic circulation over central Pakistan extending upto 2.1 km a.s.l. also persists. These systems may cause scattered light to moderate rain/snow over Jammu & Kashmir during next 2 days. Subsequently the weather is likely to improve, resulting in fall in night temperatures over the state.

Forecast valid for next 72 hours

NORTH : Light to moderate rain/snow likely at a few places over higher reaches of Jammu & Kashmir and isolated over rest Jammu & Kashmir, Himachal Pradesh during next 48 hours. Weather is likely to improve over Jammu & Kashmir after 48 hours leading to fall in night temperatures. Isolated rain/thundershowers likely over Punjab. Mainly dry weather likely in the rest region.

EAST: Rain/thundershowers likely at a few places over coastal Orissa and isolated in the rest region outside Bihar, north Chhattisgarh & East Madhya Pradesh where weather may be mainly dry. Rainfall over coastal areas of Orissa and West Bengal is likely to increase from 27th.

SOUTH : Rain/thundershowers likely at most places over Andaman & Nicobar Islands, Coastal Andhra Pradesh and north coastal Tamil Nadu & Pondicherry; at many places over interior

Tamil Nadu, Rayalaseema, South Interior Karnataka and at a few places over the rest region outside coastal and North Interior Karnataka where it may be isolated.

WEST : Isolated rain/thundershowers likely over Vidarbha, Marathwada and southern parts of Madhya Maharashtra and Konkan & Goa. Weather will be Mainly dry weather is likely over the rest region.

Warning

i) Heavy to very heavy rainfall likely at a few places over north coastal Tamil Nadu & Pondicherry and Coastal Andhra Pradesh. Isolated heavy rainfall is also likely over Andaman & Nicobar Islands, rest Tamil Nadu, South Interior Karnataka and Rayalaseema. Isolated heavy rainfall may also occur over Coastal areas of Orissa and West Bengal from 28th onwards.

ii) Squally winds with speed reaching 55-65 kmph likely along and off Tamil Nadu and Andhra Pradesh from tonight. State of sea will be rough to very rough. Fishermen are advised not to venture into the sea.

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

Rainfall activity over Tamil Nadu and Karnataka is likely to decrease and it may increase over Orissa, West Bengal and adjoining east central India.

Improvement in weather conditions over Jammu & Kashmir leading to fall in night temperatures.

Source: IMD, GOI.

PORT-WATCH (Latest) :

'MMM Houston' has berthed at Kolkata Port and continues to discharge 6,000 MT of CPO. The vessel is being handled by Seaport agents. Delivery of 6,000 MT of CPO is expected at Kolkata Port from the vessel 'MMM Galvestone'. Seaport agents will be handling the vessel.

Delivery of 12,000 MT of CPO is continuing at Kakinada Port from the vessel 'Thressa II'.

Cochin Port received 24,990 MT of palm oil from the vessel 'Vernal Grace'. Seaport agents handled the vessel.

Delivery of 16,686 MT of CPO is continuing at Mundra Port from the vessel 'Gemini'. Taurus agents is handling the vessel. 'Tirta Niaga I' is expected at the port to deliver 5,900 MT of palm oil. Taurus agents will be handling the vessel.

Chennai Port is expected 'EW Harting' to deliver 4,000 MT of SBO. Intercocean agents will be handling the vessel.

New Mangalore Port is expecting 'Aprologue', 'Matina' and

'Bumik' to deliver 17,000 MT of SBO, 10,000 MT of SBO and 7,000 MT of CPO respectively.

Kakkinada Port is expecting 'Fair Rainbow' to discharge 16,000 MT of SBO. The cargo was loaded from Argentina. 'Marine Champion' from Indonesia is expected at the port to deliver 4,000 MT of CPO. These vessels will be handled by Intercocean agents.

Mumbai Port is expecting 'Marine Champion' from Indonesia to deliver 5,520 MT of palm oil. Intercocean agents will be handling the vessel. 'Nolowati' is expected at the port to discharge 5,000 MT of palm oil. Atlantic agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	MMM Galvestone	6000	CPO	Expected
	MMM Houston	6000	CPO	Arrived
Kandla	Pacific Sound	12750	CPO	Expected
JN	Florida	11000	SBO	Expected
Tuticorin	Mega Crown No.1	1850	Palm oil	Expected
Mumbai	Pacific Sound	1000	Palm oil	Expected
	Marine Champion	5520	Palm oil	Expected
	Nolowati	5000	Palm oil	Expected
Mundra	Gemini	16686	CPO	Arrived
	Tirta Niaga I	5900	Palm oil	Expected
Kakinada	Fair Rainbow	16000	SBO	Expected
	Thressa II	12000	CPO	Arrived
	Marine Champion	4000	CPO	Expected
Chennai	EW Harting	4000	SBO	Expected
New mangalore	Aprologue	17000	SBO	Expected
	Matina	10000	SBO	Expected
	Bumik	7000	CPO	Expected

Forex Rates

(As on 27.10.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.94
Malaysia	Ringgit	11.93
European Union	Euro	54.52
United Kingdom	Pound Sterling	80.24
Japan	100 Yen	39.08

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