

VEGOIL

10th October 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Settle Unchanged
- Soyoil Future End Mixed

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Technical Analysis for October Contract:

1. The MACD, which is in negative territory, is about to dip below its signal line which is a bearish indicator.
2. The stochastic oscillator has entered oversold territory and the %K line is below the %D line which is bearish. However, the %K line is trying to find a bottom and a technical bounce is possible in 1 or 2 days.
3. The 9-day and 18-day EMA pattern indicates continued weakness. The prices are now well below both the EMAs.

The prices bounced up from the long term support trend line which means that the support has actually worked. If the prices continue downward, the support may be tested again tomorrow. Currently the support line is at the 357.8 levels (October Contract).

Market advice:

The short to medium term outlook is bearish, though a technical bounce upwards is likely to happen in 1 or 2 days if prices go further below. Go short with a very short-term outlook at around 361 levels (October Contract) and keep tight stop losses.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Oct' '05	358.4	365.8	361.3	362.6
NCDEX	Nov'05	360.1	358.9	362.3	363.2

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 07.10.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Oct	23.82	23.88	23.92	23.47	-0.35	23.47
5-Dec	24.04	24.06	24.16	23.63	-0.38	23.66
6-Jan	24.28	24.40	24.89	23.88	-0.36	23.92
6-Mar	24.40	24.55	24.58	24.00	-0.35	24.05

CBOT remains closed on Saturday and Sunday.

BMD Crude Palm Oil Futures Settle Unchanged

Crude Palm oil futures at Bursa Malaysia Derivatives settled flat after brief movement on both side of unchanged levels. Benchmark December future settled unchanged at MYR 1466 per ton. Fresh crop figures literally failed to render any direction to the market. Crop figures were released by Malaysian Palm Oil Board was within earlier expectations of trade. Export figures were astonishingly big, but failed to provide support due to doubts over continuation of the pace. Overall sentiments in the overseas markets are bit bearish. Majority vacillated playing bullish ahead of USDA data. People are expecting USDA to release bearish figures on Wednesday. Cargo Surveyor, SGS estimated the Malaysian Palm Oil export during October 1-10 at 473,891 ton against earlier expectations of 4 lakh ton. Malaysian Palm Oil Board estimated palm oil export in September at 1.19 million ton and production at 1.43 million ton. Stocks at the September end were put at 1.44 million ton, up 7.6% as compared stocks at the end of August.

KLCE CPO Futures (10.10.05) (In Ringgit /Ton)

Months	Previous	Open	High	Low	Close	Change
Oct '05	1460	1468	1468	1450	1464	+4
Nov '05	1463	1480	1470	1452	1464	+1
Dec '05	1466	1479	1472	1452	1466	0

BMD remain closed on Saturday and Sunday.

Domestic:

Palm oil

The spot market prices of palm oil marginally down. According to the traders the prices of palm oil is declined only due to the bulk import of palm oil and soyoil. The total import of vegetable oil is 45.5 lakh ton this year. Soya oil imports have increased to 17.6 lakh tonnes this year from 7.3 lakh tonnes in previous year. The prices of palmoil are expected to go down further only due to more stock of palm oil as well as Soyoil in the market

FOB prices of CPO (Oct) were quoted at \$ 380 per tonne and RBD Palmolein at \$ 417.50 per tonne.

The market sentiment of palm oil is expected to bearish on the basis of above-mentioned factors.

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

Centres	10.10.05	08.10.05	Change
Kandla CPO (5 % FFA)	329	330	-1
Kandla RBD Palmolein	358	359	-1
Mumbai RBD Palmolein	364	365	-1
Chennai RBD Palmolein	363	366	-3
Kakinada RBD Palmolein	370	373	-3

Soy oil

The spot market prices of soyoil are continued down. Yield of soybean is remarkably good in major soy producing states owing to favourable weather through the season. Soya oil imports have increased to 17.6 lakh tonnes this year from 7.3 lakh tonnes in previous year. The bulk of import of soy oil as well harvesting of new soy crop is started in India would negative impact on its prices. The soyoil future was down at NBOT also.

The market sentiment of soy oil is expected bearish due to good yield of soybean in major soybean producing states in India and soy oil has been imported more than double this year as compared to previous year.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 326 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 517 per tonne.

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

Centres	10.10.05	08.10.05	Change
Mumbai (Soy ref)	357	359	-2
Indore (Soy Ref oil)	359	362	-3
Indore (Soy Solvent Ex. oil)	337	339	-2
Kota (Soy Ref. Oil)	360	363	-3
Jaipur (Soy Ref. Oil)	365	367	-2

NBOT Soy oil futures as on 10.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	361.10	359.00	359.40	357.40	-1.7	359.40	4720
Nov '05	362.20	359.70	360.40	359.00	-1.9	360.30	22400
Dec '05	N.A	N.A	N.A	N.A	0	N.A	N.A

NCDEX Soy oil futures as on 10.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	363.30	362.50	361.50	361.50	361.80	910	14190
Nov '05	363.95	363.50	363.75	362.30	362.70	5480	25730
Dec '05	365.05	364.40	364.40	363.35	363.70	650	7360

Rape/Mustard oil

The spot market prices of mustard oil is moderately down. There is no much demand of mustard oil in the market. Due to availability of other edible oil at cheaper rate in the market, for example, vanaspati oil, soyoil and palm oil. The 45.5 lakh ton vegoil has been imported this year. Such huge supply may cause

for low price of mustard oil. The NAFED has the stock of mustard seeds approximately 15 lakhs tonnes. The arrival of mustard seeds was 10000-12000 bags in jaipur market only.

The market sentiment of mustard oil is expected remain bearish due to huge stock of mustard seed with NAFED and private stockist as well as bulk import of vegoil.

Spot Market Price (Rs. per 10 kg)

Centres	10.10.05	08.10.05	Change
Mumbai (Rape Expeller Oil)	385	386	-1
Kota (Rape Expeller Oil)	370	374	-4
Jaipur (Rape Expeller Oil)	378	381	-3
Delhi (Rape Expeller Oil)	402	402	0
Neewai (Kacchi Ghani Rape Oil)	387	392	-5

Groundnut oil

The spot market prices of groundnut oil are slightly low. The harvesting of groundnut crop started in Gujarat. There is no doubt the Gujarat is major producing the state of groundnut. According to the traders, the today's arrival of groundnut was approximately 100000 bags in Gujarat only. It is expected that arrival of groundnut will increase day by day in coming days.

The market sentiment of groundnut oil is expected to bearish due to more supply of groundnut and huge stock of other vegoil.

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

Centres	10.10.05	08.10.05	Change
Mumbai (Normal)	505	502	0
Mumbai (Good Quality)	535	535	0
Rajkot	515	520	-5
Andhra Region	520	520	0
Chennai	480	485	-5

LATEST WEATHER WATCH (10.10.2005)

Weather Forecast

Southwest monsoon has further withdrawn from the remaining parts of Bihar, Maharashtra, entire Arunachal Pradesh & Sub-Himalayan West Bengal & Sikkim; some more parts of Assam & Meghalaya, Gangetic West Bengal, Telangana, North Interior Karnataka & Goa and some more parts of Orissa and Chhattisgarh. The withdrawal line passes through Passighat, North Lakhimpur, Chharmuki, Krishnanagar, Keonjhar, Titlagarh, Ramagundam, Gulbarga, Bijapur, Vengurla, 15° N/72° E and 15° N/60° E.

Yesterday's low pressure area over southwest & adjoining westcentral Bay of Bengal persists. Associated upper air cyclonic circulation extends upto mid-tropospheric level. Under this scenario enhanced rainfall activity with isolated heavy falls is likely over south peninsula during next 2-3 days.

The upper air cyclonic circulation extending upto 3.1 km a.s.l. over Himachal Pradesh and neighbourhood has moved away eastwards.

A fresh western disturbance as an upper air system lies over north Pakistan and adjoining Jammu & Kashmir. It may cause isolated rain/thundershowers over Western Himalayas during next 1-2 days.

Forecast valid for next 72 hours

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

EAST: Isolated rain/thundershowers likely over northeastern States and West Bengal & Sikkim and weather may be mainly dry in the rest region.

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry, Kerala, Lakshadweep, Coastal Andhra Pradesh and Rayalaseema and isolated in the rest region.

WEST: Mainly dry weather is likely in the region.

Heavy Rainfall Warning

Isolated heavy rainfall likely over Tamil Nadu & Pondicherry, Coastal Andhra Pradesh, Rayalaseema, Andaman & Nicobar Islands, Lakshadweep and Kerala.

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

Fairly widespread rainfall activity over south peninsula is likely to continue.

PORT-WATCH (Latest) :

Edible Oil

'Golden Crane' is has berthed at New Mangalore Port and continues to discharge 6,005 MT of CPO. The vessel is being handled by Patvolk agents.

'Crete' from Argentina has berthed at the Kandla Port and continues to deliver 19,750 MT of SBO. The vessels is being handled by Interocean agents.

'Florida' from Argentina is expected at JN Port to discharge 11,000 MT of SBO. Interocean agents will be handling the vessel.

Delivery of 1,850 MT of palm oil is expected at Tuticorin Port from the vessel 'Mega Crown No.1'.

Mumbai Port is expecting 'Pacific Sound' to deliver 1,000 MT of palm oil. Interocean agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
New Mangalore	Golden Crane	6005	CPO	Arrived
Kandla	Cretee	19750	SBO	Arrived
JN	Florida	11000	SBO	Expected
Tuticorin	Mega Crown No.1	1850	Palm oil	Expected
Mumbai	Pacific Sound	1000	Palm oil	Expected

Forex Rates

(As on 10.10.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.62
Malaysia	Ringgit	11.83
European Union	Euro	54.15
United Kingdom	GBP	78.61
Japan	100 Yen	39.25

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