

VEGOIL

13th October 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Marginally Up
- Soyoil Future Settle Higher

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Technical Analysis for November Contract:

1. The MACD, has turned sharply upward in negative territory and moved above its signal line. It is indicating medium term bullishness.

2. The stochastic oscillator is rising fast in neutral territory and the %K line has risen well above the %D line. Short term bullishness is indicated.

3. The price has closed above both, the 9-day and 18-day EMAs, which is a good sign. Both these EMAs will act as support when prices decline. Currently they are at 363.8 and 364.3 respectively

The technical indications are that the current rally is likely to continue tomorrow.

Market advice:

It is better to stay long by buying into intraday dips at around 364.7 (November contract).

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Oct' '05	361.0	359.6	363.3	364.4
NCDEX	Nov'05	363.9	362.2	366.7	367.8

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 Up On Friendly Production Data

Soy futures at Chicago Board of Trade settled higher on friendly production data. November soybean future settled up 25.5 cents at \$5.895 and January up 24.5 cents at \$6.01 per bushel. December soymeal future settled up \$8 at \$175.9 per ton and December soyoil up 61 points at 24.19 cents per pound. The crop data released by United State Department of Agriculture came beyond all expectations. Reduction in acreage under soy crop by USDA shadowed the yield factor. In its latest crop data, USDA reduced its estimates for harvested area under soy by 900,000 acres. Reduced acreage led to reduction in production and ending stock data for US as compared to earlier expectations of the trade. The US Department of Agriculture estimated the soybean production in US at 2.967 billion bushels against earlier average expectations of 3.01 billion bushels. Ending stock of US soybean was put at 260 million bushels versus earlier trade expectations of 290 million bushels. Global ending stock for soybean was estimated at 47.41 million tonnes for 2005-06 up against 43.02 million tonnes in last season.

CBOT Soy oil futures as 12.10.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
5-Oct	23.40	23.85	24.25	23.85	+0.70	24.10
5-Dec	23.58	24.00	24.51	24.00	+0.61	24.19
6-Jan	23.84	24.35	24.72	24.25	+0.62	24.46
6-Mar	24.02	24.50	24.90	24.40	+0.60	24.62

CBOT remains closed on Saturday and Sunday.

South American Soybean Future Settle Higher

November South American soybeans future settled 9 cents higher at \$ 6.345 per bushels. After the US crop production news the focus of attention will shift from the US crop size to the focus on the potential size of the upcoming Brazil crop. There is favourable weather for planting of soybean crop, in spite of that the acreage of soybean crop will decline in some regions of Brazil. Due to high costs of fertilizer, lack of credit availability and low prices of soybean in the market. The apprehension of the bird flu is continued on buyers, which keeps meal prices volatile and soybean oil as bio-diesel consumption is on the rise. Minnesota last week set a mandatory 2% mix of bio-diesel in energy fuels. If the entire nation (US) were to move towards a blend of 2% biodiesel, the usage of soybean oil could jump approximately 3.6 billion pounds, it is about 20% of the annual production.

BMD Crude Palm Oil Futures Settle Marginally Up

Crude Palm oil Futures at Bursa Malaysia Derivatives settled slightly higher after choppy trend through the session. Benchmark December future settled up MYR2 at MYR1453 per ton. CPO futures fluctuated on both side of unchanged levels. Overnight firm closing of soyoil failed to provide impetus to palm oil futures. Crop report released by United State Department of Agriculture early on Wednesday though taken friendly in terms of lower figures for US soybean production and ending stock compared to earlier average trade estimates, still the numbers were up against USDA's previous estimates. Traders believe that slight reduction in US acreage might not help edible oil industry as such. Further, global ending stock of soybean was put significantly higher against last year's stock. Ending stock for Malaysian Palm Oil for September month estimated by Malaysian Palm Oil Board earlier this week was up against stock at August end.

KLCE CPO Futures (13.10.2005)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct '05	1451	1462	1462	1450	1455	+4	189
Nov '05	1450	1459	1461	1449	1450	+0	141
Dec '05	1451	1460	1463	1447	1453	+2	3537

BMD remains closed on Saturday and Sunday.

Palm Oil

The spot market sentiments of palm oil prices are slightly high. In USDA report the acreage of soybean is reduced and it will impact on soybean yield. The US Department of Agriculture estimated the soybean production in US at 2.967 billion bushels against earlier average expectations of 3.01 billion bushels. Ending stock of US soybean was put at 260 million bushels versus earlier trade expectations of 290 million bushels. There is rumour that the government of India is planning to hike tariff/duties on import of vegetable oil.

FOB prices of CPO (Oct) were quoted at \$ 377.50 per tonne and RBD Palmolein at \$ 415 per tonne.

The market sentiment of palm oil is bullish.

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

Centres	13.10.05	12.10.05	Change
Kandla CPO (5 % FFA)	332	328	+4
Kandla RBD Palmolein	360	358	+2
Mumbai RBD Palmolein	367	365	+2
Chennai RBD Palmolein	375	-	-
Kakinada RBD Palmolein	373	-	-

Soy oil

The spot market price of soyoil is marginally high. The crop data released by United State Department of Agriculture came beyond all expectations. It reduced the acreage of soybean crop and reduction in production. The acreage of soybean declined in Brazil due to high input cost and limited availability of credits to soybean farmers. . Minnesota last week set a mandatory 2% mix of bio-diesel in energy fuels. If the entire nation (US) were to move towards a blend of 2% biodiesel, the usage of soybean oil could jump approximately 3.6 billion pounds, it is about 20% of the annual production. There was less arrival in Maharashtra due

to cloudy weather. The arrival of soybean in Maharashtra was 40,000 bags while expectation was approximately 1,00,000 bags.

The market sentiment of soy oil was slightly bullish due to above-mentioned factors.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 329 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 516 per tonne.

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

Centres	13.10.05	12.10.05	Change
Mumbai (Soy ref)+VAT	347	345	+2
Indore (Soy Ref oil)	360	359	+1
Indore (Soy Solvent Ex. oil)	338	337	+1
Kota (Soy Ref. Oil)	365	-	-
Jaipur (Soy Ref. Oil)	370	-	-
Nagpur (Soy ref. Oil)	360	-	-

NBOT Soy oil futures as on 13.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	359.70	360.50	361.50	359.80	+0.1	359.80	1080
Nov '05	361.60	362.80	364.50	362.60	+2.7	364.30	31590
Dec '05	N.A	N.A	N.A	N.A	0	N.A	N.A

NCDEX Soy oil futures as on 13.10.2005 (Rs/10 kg)

Months	Previous Closing	High Price	Low Price	Close Price	Open Interest
Oct '05	359.80	362.45	360.35	362.90	11790
Nov '05	361.50	365.75	363.10	365.60	27280
Dec '05	362.00	367.50	364.00	367.50	9580

Rape/Mustard oil

The spot market prices of mustard oil are marginally high. The demand of mustard oil increased due to festivals like Dushehra and Ramzan. The arrival mustard seeds were 1,000 bags at Neewai market. There was rumour in the market that government is going hike tariff/duties on imported soy oil.

The market sentiment of all vegetable oil is bullish for short period due to festivals.

Spot Market Price (Rs. per 10 kg)

Centres	13.10.05	12.10.05	Change
Mumbai (Rape Expeller Oil)	381	378	+3
Kota (Rape Expeller Oil)	372	372	0
Jaipur (Rape Expeller Oil)	380	380	0
Delhi (Rape Expeller Oil)	402	-	-
Neewai (Kacchi Ghani Rape Oil)	395	-	-

Groundnut oil

The spot market price of groundnut oil is slightly increased. There is more demand of ground oil is only due to Dushehra and Ramzan. Yesterday, there was no arrival of groundnut seeds due

to holiday, it may be one factor to increase the price groundnut oil. The arrival groundnut seeds was 1,00,000 bags today and it will increase day by day. Due to more arrival of groundnut seeds prices of groundnut oil definitely will go down.

The market sentiment of groundnut oil is expected to bearish due to more supply of groundnut.

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

Centres	13.10.05	12.10.05	Change
Mumbai (Normal)	510	510	0
Mumbai (Good Quality)	523	522	+1
Rajkot	525	520	+5
Andhra Region	515	-	-
Chennai	480	-	-

LATEST WEATHER WATCH (13.10.2005)

Weather Forecast

During past 24 hours rain/thundershowers have occurred at many places over south Peninsula with isolated heavy rains over Coastal Andhra Pradesh and coastal Tamil Nadu. Scattered light to moderate rainfall has also occurred over coastal Orissa, south Konkan & Goa and south Madhya Maharashtra. Chief amounts of rainfall in (cm) are: Chennai-15, Nellore-12, Chennai(AP)-9, Kochi, Nedumassary & Kozhikode-6 each, Paradip, Tirupathy, Tondi & Trivendrum-5 each.

Yesterday's low pressure area over southwest Bay of Bengal and adjoining areas of coastal Tamil Nadu persists and is now well marked. The other low pressure area over southeast Arabian Sea and neighbourhood also persists. Associated upper air cyclonic circulations extend upto mid-tropospheric level. Under this scenario enhanced rainfall activity with heavy to very heavy falls is likely over south peninsula during next 2-3 days.

The western disturbance as an upper air system over north Pakistan and adjoining Jammu & Kashmir now lies over Jammu & Kashmir and neighbourhood. It may cause light to moderate scattered rain/snow over Western Himalayas during next 2-3 days.

Forecast valid for next 72 hours

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

EAST : Rain/thundershowers likely at a few places over Coastal Orissa and south Chhattisgarh and isolated in the rest region outside Arunachal Pradesh, Sub-Himalayan West Bengal & Sikkim, Bihar, north Chhattisgarh and northeast Madhya Pradesh where weather may be mainly dry.

SOUTH : Rain/thundershowers likely at most places over Tamil Nadu & Pondicherry, south Coastal Andhra Pradesh, Rayalaseema and Kerala; at many places over Andaman & Nicobar Islands, Lakshadweep and rest of south Peninsula.

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

Heavy Rainfall Warning

Heavy to very heavy rainfall likely at a few places over Tamil Nadu & Pondicherry, south Coastal Andhra Pradesh and

Royalaseema. Isolated heavy rainfall also likely over north coastal Andhra Pradesh, Telangana, Karnataka, Kerala and Lakshadweep.

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

1. Increased rainfall activity over south peninsula is likely to continue.
2. Light to moderate rain/snowfall also likely over Western Himalayan region.

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 13.10.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.89
Malaysia	Ringgit	11.92
European Union	Euro	53.83
United Kingdom	Pound Sterling	78.46
Japan	100 Yen	39.15

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