

VEGOIL

15th October 2005

MAJOR ACTIVITY HIGHLIGHTS

- Crude Palm Oil Futures Settle Unchanged
- Soyoil Future Settle Lower

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Technical Analysis for November Contract:

1. The MACD, is climbing in negative territory and is above the signal line. Mild bullishness is expected over the next few days.

2. The stochastics oscillator has strongly entered overbought region. This indicates short term bullishness.

3. The price continues to remain above the 9-day and 18-day EMAs, which is a good sign. The 9-day and 18-day EMA have converged at 364.5 on Saturday and if the 9-day EMA closes can pierce above the 18-day EMA, further upmove is possible.

The rally is still at a delicate stage with the prices sitting above the resistance trend line not far above the EMAs. Prices closing above the resistance line is encouraging. Bullishness appears more likely than bearishness.

Market advice:

Saturday trade usually doesn't mean much due to thin volumes. If prices find support at 364.5-365 (trendline levels) on Monday (for November contract), enter into small long positions.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Oct' '05	361.9	360.7	364.2	365.3
NCDEX	Nov'05	365.0	363.9	367.2	368.4

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 Mixed

Soy futures at Chicago Board of Trade settled mixed lacking clear direction on weekend. November soybean future closed up 1.25 cents at \$5.895 and January off 1 cent at \$6.005 per bushel. December Soybean future settled off \$1.1 at \$176.5 per ton and December soybean oil up 14 points at 24.03 cents per pound. Some support came from news of buying of 52,500 ton of soybean from South Korea. Weekly export sale of soybean was also friendly. The US Department of Agriculture estimated the net weekly export sale of US soybean for the week ending October 6 at 684,900 ton, up against earlier trade expectations of 4-6 lakh ton. Major buyers were China (517,800 ton) and Japan (121,200 ton). Export sale of soybean was also supportive. USDA estimated US soybean export during the week at 177,700 ton, up against earlier expectations of 50,000-110,000 ton. Export sale of soybean was 3,200 ton compared to 3,000-10,000 ton. NAPA crush report also was friendly. In its monthly report, NAPA estimated soybean crush in September at 127.1 million bushels, up against 122-124 million bushels and 123.2 million bushels crushed in August. However, ideal weather situation curbed the upward tendencies. Harvest is likely to progress in Midwest region amid dry weather situation through the week.

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.

South American Soybean Future Settle Lower

November South American soybeans future settled 2 cents lower at US \$ 6.575 per bushels. Volume came in at 89 contracts. There was low demand for soybeans due to bulk supply of soybeans in Brazil. The estimation of soybean production from local traders is approximately 40 million tonnes in Argentina and 57-58 million tonnes in Brazil, while USDA reported the production of soybean at 40.5 million tonnes and 60 million tonnes in Argentina and Brazil respectively. The US market settled up yesterday on fund buying of 4000 contracts and of 15000 contracts on Wednesday. The weather situation for harvest is looks favourable in Midwest regions. The world numbers looks bearish with record world ending stocks and a significant jump in oilseed ending stocks. World oilseed ending stocks estimated at 54.7 million tonnes, it was 50.6 million last year and 40.2 million tonnes was in 2003-04 season. However, the world vegetable oil ending stocks are expected to come in at 7.2 million tonnes, down from 7.3 million projected in last month's

report and down from 7.46 million tonnes for last year. Weekly export sales for soybeans were 684,900 metric tonnes, which was above of expectations and it was 541,200 tonnes last week. While, oil sales came in at 3200 metric tonnes, which is lower than expected range.

KLCE CPO Futures (14.10.2005)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1450	1454	1462	1441	1451	+0.1	349
Dec '05	1453	1452	1462	1441	1453	0	3647
Jan '06	1454	1454	1463	1442	1452	-2	1569

BMD remains closed on Saturday and Sunday.

Palm Oil

India raised the base import prices for palm oil and soybean oil by \$10-\$24 a metric ton, taking into account the current International prices. The base import price of crude palm oil or CPO has been raised to \$426 a metric ton from \$402/ton, that of refined, bleached and deodorized palm oil to \$436/ton from \$420/ton and that of RBD palm olein to \$447/ton from \$430/ton. For crude palm olein, it has been raised to \$438/ton from \$418/ton.

The spot market prices of palm oil is noticed that the remain the unchanged. There is possibility to increase in palm oil prices due to hike in tariff rate.

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

The domestic market prices are expected to increase due to hike in tariff.

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

Centres	15.10.05	14.10.05	Change
Kandla CPO (5 % FFA)	332	332	0
Kandla RBD Palmolein	361	361	0
Mumbai RBD Palmolein	370	370	0
Chennai RBD Palmolein	376	375	+1
Kakinada RBD Palmolein	375	375	0

Soy oil

The spot market price of soybean oil is continued in range bound amidst increasing support from the buyers owing to approach of the festival demand. The arrival of soybean is 2.5 - 3 lakhs bags in Madhya Pradesh and 40-50 bags in Maharashtra. The weekly USDA export sales of soybean estimated 3200 metric tonnes, which is lower than expected range. The domestic prices of soy oil is expected to open in range bound. The harvesting of soybean crop is started but right now, it not fit for crushing due to moisture.

The base import price of crude soybean oil has been raised to \$518/ton from \$508/ton.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 331 per 10 kg. CNF prices for soy degum (September Shipment) at Kandla were quoted at \$ 519 per tonne.

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

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

Centres	15.10.05	14.10.05	Change
Mumbai (Soy ref)+VAT	349	348	+1
Indore (Soy Ref oil)	362	361	+2
Indore (Soy Solvent Ex. oil)	340	340	0
Kota (Soy Ref. Oil)	365	365	0
Jaipur (Soy Ref. Oil)	370	372	-2
Nagpur (Soy ref. Oil)	363	361	+2

NBOT Soy oil futures as on 15.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Change	Close Price	Volume
Oct '05	360.90	N.A.	361.20	N.A.	+0.7	361.20	N.A.
Nov '05	364.60	364.30	366.80	364.20	+1	365.60	23780
Dec '05	366.80	N.A.	367.80	N.A.	+1	367.80	N.A.

NCDEX Soy oil futures as on 15.10.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Oct '05	361.00	361.75	364.00	361.75	363.15	1560	9010
Nov 05	365.30	365.65	367.45	365.30	366.00	13140	25010

Rape/Mustard oil

The spot market prices of mustard oil are range bound amidst increasing support from buyers in Mumbai and Kota market only and prices in other domestic markets are remain unchanged. The NAFED has the stock of mustard seeds about 20.9 lakhs tonnes. The NAFED intend to issue tenders to process about 4 lakh tonnes of mustard seeds to oil and sale of mustard oil will be by NAFED brand (approximately 1.3 lakh tonnes oil). According to local traders of Jaipur, Delhi and Neewai market, prices is not increasing of mustard oil due to less buying of mustard oil in the retail market, the harvesting of soybean and groundnut started in major producing states of India and availability of other vegetable oil in the market at low rate in comparison to mustard oil.

The market sentiment of all vegetable oil is expected to open in range bound.

Spot Market Price (Rs. per 10 kg)

Centres	15.10.05	14.10.05	Change
Mumbai (Rape Expeller Oil)	388	381	+7
Kota (Rape Expeller Oil)	375	374	+1
Jaipur (Rape Expeller Oil)	383	383	0
Delhi (Rape Expeller Oil)	402	402	0
Neewai (Kacchi Ghani Rape Oil)	393	393	0

Groundnut oil

The spot market price of groundnut oil is likely unchanged. The harvesting of groundnut crop is started in Gujarat. The supply of

ground seeds will increase day by day due to harvesting of new crops. There is rainy and cloudy weather in Gujarat. Harvesting of groundnut would not be possible if rain will be continue and it can damage the crop in the field. The supply of groundnut may decline and prices go up.

There is no clear-cut direction about the price trend due to weather gamble.

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

Centres	15.10.05	14.10.05	Change
Mumbai (Normal)	510	510	0
Mumbai (Good Quality)	522	520	+2
Rajkot	525	525	0
Andhra Region	510	510	0
Chennai	480	480	0

LATEST WEATHER WATCH (15.10.2005)

Weather Forecast

Yesterday's low pressure area over southern parts of Rayalaseema and adjoining Karnataka & Tamil Nadu now lies over North Interior Karnataka and adjoining areas of south Madhya Maharashtra and Konkan & Goa. Associated upper air cyclonic circulations extends upto mid-tropospheric level. Under its influence, enhanced rainfall activity with heavy falls is likely over north Andhra Pradesh, north Karnataka and Maharashtra & Goa during next 1-2 days. The rainfall activity over Andhra Pradesh is Likely to decrease after 24 hrs.

The low pressure area over western parts of southeast Arabian Sea persists.

The Western Disturbance as an upper air system over North Pakistan now lies over north Pakistan and adjoining Jammu & Kashmir. 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/snow likely at a few places over Jammu & Kashmir and isolated over Himachal Pradesh. Mainly dry weather likely in the rest region.

EAST: Rain/thundershowers at many places over Chhattisgarh and East Madhya Pradesh and at a few places over Orissa, Jharkhand and Bihar. It may be isolated over the rest region.

SOUTH: Rain/thundershowers likely at many places over Coastal Andhra Pradesh, Telangana, Coastal & North Interior Karnataka and Andaman & Nicobar Islands and at a few places over rest of the region outside Tamil Nadu where it may be isolated.

WEST: Rain/thundershowers likely at many places over Maharashtra & Goa; and isolated over West Madhya Pradesh and Gujarat. Mainly dry weather is likely in the rest region.

Heavy Rainfall Warning

Isolated heavy rainfall likely over Maharashtra & Goa, Andaman & Nicobar Islands, Telangana, Coastal Andhra Pradesh and Coastal & North Interior Karnataka.

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

1. Rainfall activity over north Andhra Pradesh, Karnataka and Maharashtra & Goa is likely to decrease and it may increase over Tamil Nadu and Kerala.

2. Improvement in weather over western Himalayan region.

Source: IMD, GOI.

PORT-WATCH (Latest) :

Kandla Port is receiving 12,750 MT of CPO from the vessel 'Pacific Sound'. The cargo was loaded from Dumai. The vessel is being handled by Interocean agents. 'Ocean Grace' from Argentina has berthed at the Kandla Port and continues to deliver 17,500 MT of SBO. The vessels is being handled by Interocean agents.

'Isokaze' gas berthed at Kolkata Port and continues to discharge 4,499 MT of CPO. Delivery of 6,000 MT of CPO is continuing at the port from the vessel 'Cheras'. Seaport agents is handling these vessels. The port is receiving 5,900 MT of CPO from the vessel 'Tirta Niaga I'. GAC agents is handling the vessel.

Delivery of 6,100 MT of palm oil is expected at Chennai Port from the vessel 'Star Orion'. The vessel will be handled by Seaport agents.

'Filma Satu' is expected at Kolkata Port to deliver 6,000 MT of CPO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Filma Satu	6000	CPO	Expected
Chennai	Star Orion	6100	Palm oil	Expected
Kandla	Pacific Sound	12750	CPO	Expected
	Ocean Grace	17500	SBO	Arrived
	Isokaze	4499	CPO	Arrived
	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

Forex Rates

(As on 15.10.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.89
Malaysia	Ringgit	11.87
European Union	Euro	53.95
United Kingdom	Pound Sterling	78.78
Japan	100 Yen	39.17

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