

VEGOIL

03rd November 2005

MAJOR ACTIVITY HIGHLIGHTS

- Palm Oil Markets Feature Downtrend
- CBOT Soy Futures Settle Mixed

TECHNICAL ANALYSIS (For 4th November)

NCDEX Markets remained closed today.

COMMODITY: SOY OIL
Perspective: Very Short Term
NCDEX October Contract

Technical Analysis for November Contract:

1. The MACD started moving upwards, sign of strength in the market prices.
2. The stochastic oscillator is in oversold region, but the %K-line after cutting %D-line from below moving upwards, indicating bullish sentiment in the prices.
3. The 3-day EMA prices moving up wards and going to touch 7-day EMA, which is indication short-term strength.
4. Candlestick pattern shows a moderately bullish pattern and firm opening.

Market advice: As the prices are likely to open firm and continued slightly bullish, it's better to remain long position for short-term profit.

Resistance & Support Levels (Most Active Contract)

| Contract | Contract | Support | | Resistance | |
|----------|----------|---------|-------|------------|-------|
| | | 1st | 2nd | 1st | 2nd |
| NCDEX | Nov'05 | 357.2 | 356.4 | 359.2 | 360.3 |

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:

Soy futures at Chicago Board of Trade settled mixed on Wednesday. November soybean futures settled off 1 cent at \$5.735 and January off 1.5 cents at \$5.85 per bushel. December soybean future settled up \$0.4 at \$173.9 per ton and December soybean off 18 points at 22.84 cents per pound. Expectation of bearish numbers to be released in the forthcoming crop report of USDA kept the market under pressure. Traders are expecting rise in production forecast and cut in export number. Market is expecting USDA to raise its production estimates by 100 million bushels. Bearing in mind the slow start of export pace, traders expect drop of 20-30 million bushels in total export numbers. Weakening energy prices triggered liquidation in soybean futures. Fundamental reports filtering from other nations were also bearish. Weather is improving for planting in Brazil. Meal markets got mild push following reports of poultry trading in England getting back to normalcy. For weekly export sales, traders were expecting Soybean export to come in the range of 6-9 lakh ton versus 8.42 lakh ton last week. Numbers for meal were expected between 0.75-2.00 lakh ton and Soybean between 2000-10000 ton

CBOT Soy oil futures as 02.11.2005 (Cents/pound)

| Months | Previous Settle | Open | High | Low | Close | Change |
|---------|-----------------|-------|-------|-------|-------|--------|
| Dec'05 | 23.33 | 22.87 | 23.01 | 22.77 | 22.84 | -0.18 |
| Jan'06 | 23.54 | 23.18 | 23.22 | 23.01 | 23.07 | -0.18 |
| Mar'06 | 23.73 | 23.42 | 23.45 | 23.22 | 23.27 | -0.20 |
| May'06 | 23.89 | 23.60 | 23.60 | 23.39 | 23.45 | -0.21 |
| Jul '06 | 24.05 | 23.80 | 23.80 | 23.59 | 23.63 | -0.20 |
| Aug'06 | 24.10 | 23.90 | 23.90 | 23.65 | 23.67 | -0.19 |

CBOT remains closed on Saturday and Sunday.

BMD Crude Palm oil Futures Settle Higher

Bursa Malaysia Derivatives remained closed to see Idul Fitri.

BMD CPO Futures (31.10.2005)

| Months | Previous | High | Low | Close | Change |
|---------|----------|------|------|-------|--------|
| Nov '05 | 1445 | 1447 | 1441 | 1441 | -4 |
| Dec '05 | 1445 | 1446 | 1440 | 1441 | -4 |
| Jan '06 | 1445 | 1447 | 1439 | 1440 | -5 |
| Feb '06 | 1445 | 1445 | 1439 | 1440 | -5 |

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil markets featured lacklustre trading. Since fundamentals are weak in overseas markets, domestic palm oil markets also remained down in the dumps. Supply is not at all concerning. According to Malaysian Palm Oil Board, production of Palm oil in Malaysia in September has increased by 4.8% on month basis. Production of palm oil in this Calendar year will likely to increase to 15.4 million ton. Further, harvest of its traditional rival is record good in all the producing and consuming countries. Festival demand is over. Traders are expecting palm oil prices to remain low in near term.

FOB prices of CPO (Nov) were last quoted at \$ 373 per tonne and RBD Palmolein at \$ 408.5 per tonne.

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

| Centres | 03.10.05 | 31.10.05 | Change |
|------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA) | 341 | 338 | +3 |
| Kandla RBD Palmolein | 361 | 360 | +1 |
| Mumbai RBD Palmolein | 374 | 370 | +4 |
| Chennai RBD Palmolein | 382 | 380 | +2 |
| Kakinada RBD Palmolein | 378 | 376 | +2 |

Revised tariff rate on 31.10.2005 by the GOI.

Unit:: US \$ / Metric Tonnes

| Commodity | Revised tariff rate w.e.f. 31.10.05 | Previous tariff rate | Difference (US \$/ MT) |
|-------------------|-------------------------------------|----------------------|------------------------|
| CPO palm oil | 434 | 426 | +8 |
| Crude palmolein | 443 | 438 | +5 |
| RBD palm oil | 439 | 436 | +3 |
| RBD Palmolein | 449 | 447 | +2 |
| Crude soybean oil | 513 | 518 | -5 |

The above table shows that the base import price of crude palm oil raised to \$434/ton from \$426/ton, refined, bleached and deodorized (RBD) palm oil to \$439/ton from \$436/ton, and that of RBD palm olein to \$449/ton from \$447/ton. For crude palm olein, the base import price has been raised to \$443/ton from \$438/ton. On the other hand, the base import price of crude soy oil has been cut to \$513/ton from \$518/ton.

Soy oil

Soy oil markets continued to observe downtrend. Harvest of soybean is in progress in Madhya Pradesh, Rajasthan and Madhya Pradesh. Pace has been slowed a bit due to long festival holidays. Since, the most of domestic futures exchanges were closed, local markets had no clear direction for price movements. Overnight weak closing of soy oil futures at CBOT had negative impact on its prices. Fundamentally market is weak. Burdensome harvest of soy in United State and low demand of soy and its products in international markets has carved in bearish pulp for soy crushers.

Soybean oil - Spot Market Price

(Rs. per 10 kg)

| Centres | 03.11.05 | 31.10.05 | Change |
|------------------------------|----------|----------|--------|
| Mumbai (Soy ref.) | 353 | 353 | - |
| Indore (Soy Ref oil) | 352 | 353 | -1 |
| Indore (Soy Solvent Ex. oil) | 323 | 324 | -1 |
| Kota (Soy Ref. Oil) | 360 | 360 | - |
| Jaipur (Soy Ref. Oil) | 365 | 365 | - |
| Nagpur (Soy ref. Oil) | 355 | 355 | - |

NBOT Soy oil futures as on 31.10.2005 (Rs/10 kg)

| Months | Previous Closing | Open Price | High Price | Low Price | Close Price | Change | Volume |
|--------|------------------|------------|------------|-----------|-------------|--------|--------|
| Nov 05 | 356.50 | 356.30 | 358.70 | N.A. | 357.80 | +1.3 | 9830 |
| Dec 05 | 360.10 | 359.30 | 363.20 | 359.20 | 362.80 | +3.7 | 3120 |

NCDEX Soy oil futures as on 31.10.2005 (Rs/10 kg)

| Months | Previous Closing | Open Price | High Price | Low Price | Close Price | Volume | Open Interest |
|--------|------------------|------------|------------|-----------|-------------|--------|---------------|
| Nov 05 | 357.00 | 357.20 | 359.40 | 356.65 | 358.20 | 5234 | 18940 |
| Dec 05 | 360.90 | 361.00 | 365.35 | 364.0 | 365.5 | 1052 | 23420 |

Rape/Mustard oil

Rapeseed markets had no oomph due to subdued demand for the same. Apart from demand factor, High stock has also been blamed for depression in mustard markets. Keeping in mind long running bearish trend in mustard markets traders are very much confident of likely decline in its acreage. Sowing of rapeseed is in progress in northern states.

Spot Market Price (Rs. per 10 kg)

| Centres | 03.11.05 | 31.10.05 | Change |
|--------------------------------|----------|----------|--------|
| Mumbai (Rape Expeller Oil) | 378 | 380 | -2 |
| Kota (Rape Expeller Oil) | 368 | 372 | -4 |
| Jaipur (Rape Expeller Oil) | 378 | 382 | -4 |
| Delhi (Rape Expeller Oil) | 393 | 395 | -2 |
| Neewai (Kacchi Ghani Rape Oil) | 382 | 385 | -3 |

Groundnut oil

Groundnut oil markets continued to see weak trend. Trading remained thin as most of the markets were closed for extended festive mood. There is nothing pushy in the markets fundamentally. There was little concern over likely loss to crop in Andhra Pradesh. However, spilled over weakness in other edible oil shadowed undue worries over crop losses in Andhra Pradesh.

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

| Centres | 03.11.05 | 31.10.05 | Change |
|---------------|----------|----------|--------|
| Mumbai | 502 | 505 | -3 |
| Rajkot | 488 | 490 | -2 |
| Andhra Region | 520 | 520 | - |
| Chennai | 470 | 470 | - |

PORT-WATCH (Latest) :

'A Prologue' from Argentina has berthed at Kandla Port and continues to deliver 14,000 MT of SFO. The vessel is being handled by Interocean agents. Kandla Port is receiving 16,000 MT of SBO from the vessel 'Fair Rainbow'. The cargo was loaded from Argentina. The vessel is being handled by Interocean agents. Delivery of 4,500 MT of CPO is expected at the port from the vessel 'Nolowati'. The cargo was loaded from Belawan. Atlantic agents will be handling the vessel. The port is expecting 'EW Harting' from Argentina to discharge 14,000 MT of SBO. The vessel will be handled by Interocean agents. Delivery of 16,000 MT of palm oil is expected at the port from the vessel 'Isokaze'. The cargo was loaded from Indonesia. Interocean agents will be handling the vessel.

Delivery of 6,000 MT of palm oil is continuing at Chennai Port from the vessel 'Filma Satu'. Seaport agents is handling the vessel. 'Team Ace' has berthed at the port and continues to deliver 4,500 MT of CPO.

'MMM Jackson' has berthed at Kolkata Port and continues to discharge 6,000 MT of CPO. Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'Cheras'. 'Megacrown' is expected at the port to deliver 2,000 MT of CPO. The port is expecting 'Padang Halaban' and 'Ocean Ace' to discharge 6,000 MT of CPO each.

'Bumik' has berthed at New Mangalore Port and is continuing to deliver 7,000 MT of CPO. New Mangalore Port is receiving 10,000 MT of SBO from the vessel 'Matina'. The cargo was loaded from Argentina.

Mumbai Port is expecting 'Marine Champion' from Indonesia to deliver 5,520 MT of palm oil. Interocean agents will be handling the vessel.

'Tirta Niaga I' is expected at Mundra Port to deliver 5,900 MT of palm oil. Taurus agents will be handling the vessel. After the delivery of CPO, the same vessel will be carrying 5,000 MT of palm oil from the port. The port is expecting 'Barents Wind' to discharge to deliver 8,800 MT of SBO. The vessel will be handled by Patvolk agents..

Forex Rates (As on 02.11.2005)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 45.27 |
| Malaysia | Ringgit | 11.94 |

| | | |
|----------------|----------------|--------|
| European Union | Euro | 54. 62 |
| United Kingdom | Pound Sterling | 80.32 |
| Japan | 100 Yen | 38.74 |

Current Vessels Positions

| Ports | Vessels | Volume (Ton) | Carrying | Status |
|-----------|-----------------|--------------|----------|----------|
| Kolkata | MMM Galvestone | 6000 | CPO | Arrived |
| | Belicia | 3800 | CPO | Arrived |
| | Megacrown | 2000 | CPO | Expected |
| | Padang Halaban | 6000 | CPO | Expected |
| | Ocean Ace | 6000 | CPO | Expected |
| Kandla | Pacific Sound | 12750 | CPO | Expected |
| | Fair rainbow | 16000 | SBO | Arrived |
| | EW Harting | 14000 | SBO | Expected |
| | Marine Champion | 4000 | CPO | Expected |
| | Nolowati | 4500 | CPO | Expected |
| JN | Florida | 11000 | SBO | Expected |
| | EW Harting | 4000 | SBO | Arrived |
| 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 | Tirta Niaga I | 5000 | CPO | Expected |
| | 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 |
| | EW Harting | 8000 | Palm Oil | Expected |
| New mangalore | Aprologue | 17000 | SBO | Expected |
| | Aprologue | 7000 | Sunflower Oil | Arrived |
| | Matina | 10000 | SBO | Arrived |
| | Bumik | 7000 | CPO | Expected |

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