

VEGOIL

November 29, 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Higher
- BMD CPO Futures End Slightly Down

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD moving southwards but yet not touched the signal line, which indicates medium term bearish.
2. Stochastic indicator is moving downward and heading towards the oversold region, there is no sign of reversal in trend.
3. Close below 9 days EMA and 18 days EMA, which shows bearish market sentiments.

Market Advice: The market is expected to remain range bound with some upward bias.

Resistance & Support Levels (Most Active Contract)

| Contract | Supp 1 | Supp 2 | Res 1 | Res 2 |
|---------------|--------|--------|--------|--------|
| NCDEX Dec '05 | 349.80 | 347.20 | 350.80 | 351.60 |

Abbreviations:

MA - Moving Average

MACD - Moving Average Convergence Divergence

% K-Line & % D-Line - Faster & Slower Lines of Stochastic Oscillators



MARKET HIGHLIGHTS & FUNDAMENTAL ANALYSIS

International:

CBOT Soy Futures Settle Higher

Soy futures at Chicago board of Trade settled higher on idea of oversold market. January soybean settled up 4 cents at \$5.5825 and March up 3.5 cents at \$5.6575 per bushel. March soy meal settled up \$0.7 at \$173.6 per short ton and March soyoil up 22 points at 21.78 cents per pound. Overall outlook does not seem promising. Demand for soybean has declined from China due to poor crush margins, for which traders blamed to growing concern over bird flu. USDA's announcement for Chinese buying 116,000 ton helped cushioning the futures. Overall export is still slow. Cumulative export sales of US soybean have reached 38% in 2005-06 compared to 57.7% average of last five years. Ideal weather situation in South America also had negative impact on its prices. Sowing is still in progress in South America.

CBOT Soy oil futures as 28.11.2005 (Cents/pound)

| Months | Previous Settle | Open | High | Low | Close | Change |
|--------|-----------------|-------|-------|-------|-------|--------|
| 5-Dec | 21.13 | 20.90 | 21.25 | 20.80 | 21.24 | +0.11 |
| 6-Jan | 21.28 | 21.07 | 21.48 | 20.97 | 21.46 | +0.18 |
| 6-Mar | 21.56 | 21.30 | 21.79 | 21.25 | 21.78 | +0.22 |
| 6-May | 21.88 | 21.65 | 22.03 | 21.55 | 22.03 | +0.15 |
| 6-Jul | 22.11 | 21.85 | 22.30 | 21.85 | 22.29 | +0.18 |
| 6-Aug | 22.28 | 22.10 | 22.42 | 22.05 | 22.42 | +0.14 |

CBOT remains closed on Saturday and Sunday.

South American Soybean Settle Lower

South American Soybean settled lower on improved weather reports. March South American soybean settled off 6.5 cents at \$5.890 per bushel. Slowed demand from China coupled with improving weather situation in South America has attributed the weakness in soy markets. Soybean plants in China are temporarily shutting operations due to disparity. Bird flu has dampened the perspective of Soymeal trade. Planting soybean is in progress in all the major growing states of Brazil namely Parana, Rio Grande do Sul, Santa Catarina, Minad Gerais, Goias and Mato Grosso do Sul and Mat Grosso. Planting pace has been slow so far only in Sao Paulo, lack of moisture has been blamed for this slowing in planting pace.

BMD Crude Palm Oil Futures End Slightly Down

Crude Palm oil futures on Bursa Malaysia Derivatives settled slightly lower ahead of monthly export data. Benchmark February future settled off MYR4 at MYR1395 per ton. Palm oil futures opened firm in tandem with gains in overnight firm closing of soy futures at CBOT. However, palm oil future soon lost its footing on concern over bearish export data releases due on Wednesday. Cargo Surveyor SGS will be releasing its MPO export data for November

month, tomorrow. Traders are expecting monthly export to remain at around 1.0 million ton, down against its export of 1.25 million ton last month.

BMD: CPO Futures (29.11.2005)

(Rinnngit/ton)

| Months | Previous | Open | High | Low | Close | Change | Volume |
|---------|----------|------|------|------|-------|--------|--------|
| Dec '05 | 1398 | 1403 | 1403 | 1393 | 1396 | -2 | 533 |
| Jan '06 | 1400 | 1403 | 1404 | 1395 | 1398 | -2 | 926 |
| Feb '06 | 1399 | 1404 | 1404 | 1393 | 1395 | -4 | 2783 |
| Mar '06 | 1400 | 1404 | 1405 | 1395 | 1398 | -2 | 203 |
| Apr '06 | 1401 | 1400 | 1400 | 1400 | 1400 | -1 | 20 |

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market continued range bound with week sentiments. Export sales of Malaysian palm oil increased to 120653 metric tonnes in month of October from 1195381 metric tonnes of the month of September 2005, it is up 0.9 percent. Production of Malaysian palm oil is marginally declined to 1400591 metric tonnes in the month of October as compared to 1431654 metric tonnes of the month of September 2005, it is declined by 2.2 per cent. However stock of Malaysian palm oil increased by 4.2 per cent in the month of October as compared with the month of September 2005. Palm oil prices are expected remain range bound with week market sentiments.

FOB prices of CPO (December) were last quoted at \$ 360 per tonne and RBD Palmolein at \$ 397.5 per tonne.

Palm oil - Spot Market Price

(Rs. per 10 kg)

| Centres | 29.11.05 | 28.11.05 | Change |
|------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA) | 338 | 339 | -1 |
| Kandla RBD Palmolein | 360 | 360 | 0 |
| Mumbai RBD Palmolein | 374 | 375 | -1 |
| Chennai RBD Palmolein | 378 | 378 | 0 |
| Kakinada RBD Palmolein | 375 | 376 | -1 |

Soy oil

Domestic spot market of soy oil prices range bound with week market sentiments. Total arrivals of soybeans were 1.25 -1.50 lakh, 1.00 lakh and 1.00 lakh bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandies were 12000-15000 bags only. December Soy oil prices settled down at the end of the day in NCDEX and NBOT. Markets are expected remain range bound with week sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 334 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 511 per tonne.

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

| Centres | 29.11.05 | 28.11.05 | Change |
|------------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil) | 365 | 365 | 0 |
| Indore (Soy Ref oil) | 344 | 345 | -1 |
| Indore (Solvent Ex. oil)+VAT | 322 | 323 | -1 |
| Kota (Soy Ref. Oil) | 350 | 350 | 0 |
| Jaipur (Soy Ref. Oil) | 355 | 355 | 0 |
| Nagpur (Soy ref. Oil) | 343 | 344 | -1 |

Rape/Mustard oil

Domestic market sentiments of mustard oil marginally declined in most of the markets amidst low buying demands at retail ends. Mustard future prices in NCDEX for Hisar, Delhi and Hapur market were closed at the end of the day. Rape seed acreage (Rabi season) increased by 11% in India. The above-mentioned factors indicating towards bearish market sentiments.

Spot Market Price (Rs. per 10 kg)

| Centres | 29.11.05 | 28.11.05 | Change |
|--------------------------------|----------|----------|--------|
| Mumbai (Rape Expeller Oil) | 383 | 385 | -2 |
| Kota (Rape Expeller Oil) | 372 | 372 | 0 |
| Jaipur (Rape Expeller Oil) | 377 | 377 | 0 |
| Delhi (Rape Expeller Oil) | 382 | 385 | -3 |
| Neewai (Kacchi Ghani Rape Oil) | 381 | 383 | -2 |

Groundnut oil

Domestic spot markets of Groundnut oil prices were continued mildly lower. The GN oil prices declined in Gujarat due to low buying demand at retail end and more arrival of groundnut seeds in the markets. Arrival of groundnut in Gujarat reached at 1.50 lakh bags (1 bag=35 kg). GN oil prices in Chennai are declined only because the harvesting of new crop is started in Tamil Nadu. More supply of groundnut is major factor to decline GN oil prices. Market sentiments of GN Oil are expected to decline further.

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

| Centres | 29.11.05 | 28.11.05 | Change |
|---------------|----------|----------|--------|
| Mumbai | 460 | 462 | -2 |
| Rajkot | 458 | 463 | -5 |
| Andhra Region | 458 | 458 | 0 |
| Chennai | 440 | 450 | -10 |

NBOT Soy oil futures as on 29.11.2005 (Rs/10 kg)

| Months | Previous Closing | Open Price | High Price | Low Price | Close Price | Change | Volume |
|---------|------------------|------------|------------|-----------|-------------|--------|--------|
| Dec 05 | 347.9 | 348.1 | 348.9 | 346.7 | 346.7 | -1.2 | 21710 |
| Jan '06 | 354.3 | 355.4 | 355.5 | 352.9 | 352.9 | -1.4 | 4730 |

NCDEX Soy oil futures as on 29.11.2005 (Rs/10 kg)

| Months | Previous Closing | Open Price | High Price | Low Price | Close Price | Volume | Open Interest |
|--------|------------------|------------|------------|-----------|-------------|--------|---------------|
| Dec'05 | 348.80 | 348.10 | 350.45 | 347.90 | 348.50 | 9740 | 18320 |
| Jan 06 | 354.15 | 353.80 | 355.75 | 353.55 | 353.75 | 7680 | 11480 |

LATEST WEATHER WATCH (29.11.2005)

Forecast valid for next 72 hours

NORTH: Rainfall/snowfall is likely at a few places over Jammu & Kashmir and isolated Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers also likely over northeastern parts of Punjab and Haryana (including Chandigarh). Mainly dry weather is likely over the rest region.

EAST: **Isolated** rain/thundershowers likely over coastal Orissa from 30th. Weather will be **mainly dry** over the rest region.

SOUTH: Rain/thundershowers likely at a few places over Andaman & Nicobar Islands and Lakshadweep and isolated over Tamil Nadu & Pondicherry, Coastal Andhra Pradesh and Kerala. Rainfall activity over Tamil Nadu & Pondicherry, Rayalaseema and Coastal Andhra Pradesh is likely to increase from tomorrow when rains are likely at many places with heavy to very heavy falls at a few places for subsequent 2-3 days.

WEST: Mainly dry weather over the region.

Warning

1. Isolated to scattered heavy to very heavy rainfall likely over coastal Tamil Nadu & Pondicherry and Coastal Andhra Pradesh from November 30th for next 2-3 days. Isolated heavy rainfall also occur over interior Tamil Nadu and Andhra Pradesh from 1st.

2. Strong winds with speed reaching 50-60 kmph likely along & off north Tamil Nadu and south Andhra Pradesh coasts from tomorrow. State of sea will be rough to very rough. Fishermen are advised not to venture into the sea along the above coasts.

Source: IMD, GOI

Forex Rates (As on 29.11.2005)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------------|-----------------|
| USA | Dollar | 45.92 |
| European Union | Euro | 54.29 |
| United Kingdom | Pound Sterling | 79.16 |
| Japan | 100 Yen | 38.53 |
| Malaysia | Ringgit | 12.14 |

PORT-WATCH (Latest) :

'Gemini' has berthed at Kandla Port and continues to deliver 6,000 MT of CPO. The vessel is being handled by Taurus agents. Kandla Port is receiving 13,010 MT of SBO from the vessel 'Bunga Cenderawasih'. The cargo was loaded from Brazil. Interocean agents is handling the vessel. Delivery of 8,480 MT of CPO is expected at the port from the vessel 'West Gold'. The cargo was carried from Indonesia. Interocean agents will be handling the vessel. 'Global Eos' from Indonesia is expected at the port to deliver 3,500 MT of CPO. Forbes Gokak agents will be handling the vessel.

Delivery of 5,700 MT of CPO is continuing at Kolkata Port from the vessel 'Monolisa'. Interocean agents is handling the vessel. Kolkatta Port is receiving 6,000 MT of CPO from the vessel 'Khadijah'. The vessel is being handled by Seaport agents. The port is expecting 'Team Ace' to deliver 8,000 MT of CPO.

Kakkanada Port is expecting 'Vernal Grace' to deliver 6,000 MT of CPO.

Delivery of 10,000 MT of SBO is expected at JNPT from the vessel 'Laertis'. The cargo was loaded from Argentina. The vessel will be handled by Interocean agents.

Mumbai Port is expecting 'Global Eos' to deliver 1,750 MT of palm oil. Forbes Gokak agents will be handling the vessel.

Current Vessels Positions

| Ports | Vessels | Volume (Ton) | Carrying | Status |
|----------|--------------------|--------------|----------|----------|
| Mumbai | Global Eos | 1750 | Palm Oil | Expected |
| Kakinada | Vernal Grace | 6000 | CPO | Expected |
| Kolkata | Khadijah | 6000 | CPO | Arrived |
| | Team Ace | 8000 | CPO | Expected |
| | Monolisa | 5700 | CPO | Arrived |
| Kandla | Gemini | 6000 | CPO | Arrived |
| | Bunga Cenderawasih | 13010 | SBO | Arrived |
| | West Gold | 8480 | CPO | Expected |
| | Global Eos | 3500 | CPO | Expected |
| JNPT | Laertis | 10000 | SBO | Expected |

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