

VEGOIL

November 22, 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Finish Lower
- CBOT Soy Futures Settle Mixed

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD is moving upward and has just crossed the signal line; it needs to move up further for bullish confirmation.
2. Stochastic indicator is moving upward in the neutral region, there is no indication of trend reversal.
3. Close below 9 days EMA and 18 days EMA is indicating towards bearish mood of the market.

4. Candlestick has formed bearish Harami pattern, which signals short term bearish reversal in the trend.

Market Advice: go short with tight stop losses

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	350.10	348.80	353.60	355.30

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 Mixed

Soy futures at Chicago Board of Trade settled mixed on Monday. January soybean future settled up 2.5 cents at \$5.7225 and March up 2.5 at \$5.7975 per bushel. December soybean future settled up \$1.7 at \$173.9 per short ton and December soy oil off 8 points at 21.93 cents per pound. Reports of Asian rust helped offsetting the threat of plausible decline in soy consumption due to bird flu. Fresh outbreak of Asian rust was reported from the Kentucky. Ideal weather for crop growth in South America was another bearish item. Export inspection report was neutral. USDA put export inspection figure for US soybean at 34.2 million bushels against earlier trade expectations of 32-37 million bushels. Export pace is very slow this year. Traders blamed much hype of bird flu in Asian countries for slowed export pace.

CBOT Soy oil futures as 21.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	22.01	22.05	22.20	21.90	21.93	-0.08
Jan'06	22.19	22.28	22.40	22.09	22.13	-0.06
Mar'06	22.43	22.53	22.62	22.36	22.37	-0.06
May'06	22.68	22.75	22.85	22.61	22.62	-0.06
Jul '06	22.94	22.95	23.10	22.83	22.86	-0.08
Aug'06	23.04	23.20	23.20	22.95	22.95	-0.09

CBOT remains closed on Saturday and Sunday.

South American Soy Future Settle lower

South American Soybean futures settled lower on Friday. March South American soybean settled off 5 cents at \$6.03 per bushel. Appreciation of Brazilian Reel versus US dollar has slowed the trading activities. Seeding is in progress in Brazil. Forecast for more rains this week in northern Brazil also had negative impact on prices. Weather is also improving in Argentina, where planting is already being done in 46% of the targeted area. Frequent reports of bird flu in Vietnam and China have also been blamed for depression in soy markets.

BMD Crude Palm oil Futures Finish Lower

Crude Palm oil futures at Bursa Malaysia Derivatives settled lower on continued concern over rising stock. Benchmark February future settled off MYR10 at MYR1403 per ton. Traders are less optimistic about the pace of export. However, production of palm oil in Malaysia is set to decline for seasonal factor from this month onward. Export figures for Malaysian Palm oil released for first 20 days was very depressing. MPO export for first 20 days of November numbered by Cargo Surveyor SGS were down 21% on month basis. Weak fundamentals in soy also have caused

depression in edible oil markets. Repeated outbreaks of bird flu have been blamed for depression in soy. However, this factor has bright side for palm oil. Since, crushing of soy is not lucrative due to bird flu factor, buyers might be sourcing palm oil for their edible oil requirement.

BMD: CPO Futures (22.11.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1411	1406	1410	1402	1403	-8	284
Jan '06	1413	1410	1410	1403	1404	-9	643
Feb '06	1413	1411	1411	1402	1403	-10	1994
Mar '06	1414	1410	1410	1403	1403	-11	563
Apr '06	1414	N.A	N.A	N.A	N.A	0	N.A

BMD remains closed on Saturday and Sunday.

DCE Soy futures Settle Higher

Soybean futures at Dalian Commodity Exchange settled mostly higher following overnight firm closing of CBOT soy futures. Benchmark May 2006 soybean future at Dalian Commodity Exchange settled up CNY6 at CNY2663 per ton. Further, traders opine that market was bit overdone in past few sessions. Concern over likely fall in soy meal consumption due to bird flu still stands to the reason. There has been 21 outbreaks of bird flu in different provinces of China. Long term perspective of soy does not seem bright.

Palm Oil

Palm oil prices at spot market continued range bound. Export figures for Malaysian Palm oil released for first 20 days was very depressing. MPO export for first 20 days of November numbered by Cargo Surveyor SGS were down 21% on month basis. Weak fundamentals in soy also have caused depression in edible oil markets. Market sentiment expected range bound.

FOB prices of CPO (December) were last quoted at \$ 362.50 per tonne and RBD Palmolein at \$ 397.50 per tonne.

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

Centres	22.11.05	21.11.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	360	358	+2
Mumbai RBD Palmolein	374	372	+2
Chennai RBD Palmolein	380	380	0
Kakinada RBD Palmolein	379	379	0

Soy oil

Domestic market sentiment of soy oil is slightly declined at the end of the day. December Soy oil prices were quoted lower at the end of the day in NCDEX and NBOT. Arrival of Soybean were 2.00 to 2.50 lakh Bags in Mandies of Madhya Pradesh, Maharashtra 1.50 to 2.00 lakh bags and Rajasthan 1.00-1.50 lakh bags (1 bags= 85 kg). Higher estimation of production of soybean by SOPA is may be cause of bearish market sentiments for soy future.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 330 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 500 per tonne.

Market sentiment of soyoil expected range bound.

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

Centres	22.11.05	21.11.05	Change
Mumbai (Soy Ref oil)	362	363	-1
Indore (Soy Ref oil)	346	346	0
Indore (Solvent Ex. oil)+VAT	322	318	+4
Kota (Soy Ref. Oil)	356	355	+1
Jaipur (Soy Ref. Oil)	360	358	+2
Nagpur (Soy ref. Oil)	344	346	-2

NBOT Soy oil futures as on 22.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	352.1	352.1	352.7	349.7	349.9	-2.2	36820
Jan 05	357.1	356.2	357.6	354.6	355.3	-1.8	1830

NCDEX Soy oil futures as on 22.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	354.00	353.50	353.80	352.80	351.45	9760	19500
Jan 06	357.90	356.80	357.80	354.75	356.25	3860	8510

Rape/Mustard oil

Domestic market sentiments were lacklustre. Total oil seeds production figure estimated higher this year as compared to previous year, despite huge stock of mustard seeds with private stockist and NAFED and India's import of edible increased this year by 15 % as compared to previous marketing year. India is the largest importer of edible oil, despite having huge stock of mustard seeds with NAFED and private stockist. There is need to review the policies and find means to curb imports of edible oil.

Spot Market Price (Rs. per 10 kg)

Centres	22.11.05	21.11.05	Change
Mumbai (Rape Expeller Oil)	384	383	+1
Kota (Rape Expeller Oil)	372	371	+1
Jaipur (Rape Expeller Oil)	377	378	-1
Delhi (Rape Expeller Oil)	390	388	+2
Neewai (Kacchi Ghani Rape Oil)	385	386	-1

Groundnut oil

Spot market prices of groundnut oil range bound. Harvesting in some parts of Andhra and Tamil Nadu state is started. More that 85 percent harvesting of groundnut is over in Gujarat. Arrivals of groundnut in the Gujarat are

remain at about 1.5 lakh bags (1 bag= 35 kg). GN oil prices remain range bound.

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

Centres	22.11.05	21.11.05	Change
Mumbai	450	446	+4
Rajkot	458	453	+5
Andhra Region	470	470	0
Chennai	440	440	0

LATEST WEATHER WATCH (21.11.2005)

Forecast valid for next 72 hours

NORTH: Isolated rain/snow is likely over Jammu & Kashmir during next 48 hrs. Mainly dry weather is likely over the rest region.

EAST: Isolated rain/thundershowers likely over northeastern States. Weather will be mainly dry weather over the rest region.

SOUTH: Rain/thundershowers likely at most places over Coastal Tamil Nadu & Pondicherry; at many places over interior Tamil Nadu, south Coastal Andhra Pradesh and Rayalaseema; at a few places over Andaman & Nicobar Islands, Kerala and South Interior Karnataka and isolated over the rest region. Rainfall activity over Kerala, Karnataka and rest Andhra Pradesh is likely to increase from tomorrow evening.

WEST: Mainly dry weather over the region.

Warning

Heavy to very heavy rainfall likely at a few places over Coastal Tamil Nadu & Pondicherry. Isolated heavy rains also likely over interior Tamil Nadu, south Coastal Andhra Pradesh and Rayalaseema.

Source: IMD,GOI

PORT-WATCH (Latest) :

Edible Oil

Chennai Port is receiving 7,250 MT of palm oil from the vessel 'Spring Glory'. Seaport agents is handling the vessel. Delivery of 1,850 MT of palm oil is expected at Chennai Port from the vessel 'Mega Crown No.1'. Seaport agents will be handling the vessel.

Kolkatta Port is receiving 6,000 MT of CPO from the vessel 'Khadijah'. The vessel is being handled by Seaport agents. Delivery of 6,000 MT of CPO each is continuing from the vessels 'Cheras' and 'MMM Jackson' respectively. 'Filma Satu' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO.

'Shimakaze' from Malaysia has berthed at Kandla Port and continues to deliver 4,000 MT of CPO. Delivery of 4,000 MT of SBO is continuing at Kandla Port from the vessel 'Laertis'. The cargo was loaded from Argentina. These vessels are being handled by InterOcean agents. The port is expecting 'Bunga Cenderawasih' from Brazil to

discharge 13,010 MT of SBO. Interocean agents will be handling these vessels.

New Manglore Port is receiving 7,000 MT of CPO from the vessel 'Bumik'. The port is expecting 'Laertis' from Argentina to deliver 7,000 MT of SBO.

'Bang Cendra Wasih' from Brazil is expected at Mundra Port to deliver 23,000 MT of SBO. Interocean agents will be handling these vessels.

Kakkanada Port is expecting 'Vernal Grace' to deliver 6,000 MT of CPO. 'MMM Houston' delivered 6,000 MT of CPO at the port and sailed off.

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.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Spring Glory	7250	Palm Oil	Arrived
	Mega Crown 1	1850	Palm Oil	Expected
Mumbai	Shimakaze	5000	Palm Oil	Arrived
Mundra	Bang Cendra Wasih	23000	SBO	Expected
Kakinada	Vernal Grace	6000	CPO	Arrived
	MMM Houston	6000	CPO	Arrived
Kolkata	Filma Satu	6000	CPO	Arrived
	Khadijah	6000	CPO	Arrived

	Cheras	6000	CPO	Arrived
	MMM Jackson	6000	CPO	Arrived
	Filma Satu	6000	CPO	Arrived
Kandla	Laertis	4000	SBO	Arrived
	Shimakaze	4000	CPO	Arrived
	Bunga Cenerawaish	13010	SBO	Expected
Manglore	Bumik	7000	CPO	Arrived
	Laertis	7000	SBO	Expected
JNPT	Laertis	10000	SBO	Expected

Forex Rates

(As on 22.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.85
European Union	Euro	53.78
United Kingdom	Pound Sterling	78.71
Japan	100 Yen	38.49
Malaysia	Ringgit	12.12

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