

VEGOIL

November 18, 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Future Settle Mixed
- BMD CPO Futures End Slightly Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD moving downward which indicates medium term weakness.
2. The stochastic is turning upward in oversold region, but %K line has yet to cross %D line. The indicator is slightly favoring the bulls.
3. Close below 9 days EMA and 18 days EMA is indicating medium term bearishness.

Market Advice: Market looks indecisive at this position. One can remain cautiously long.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Dec'05	346.80	345.00	349.70	350.90

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 future settle mixed at Chicago Board of Trade on Thursday. January Soybeans settled higher 2.5 cents at \$ 5.7925 per bushel, it is 2.25 cents off the high and 5.75 cents up from the low and March Soybeans also settled slightly higher 2 cents at \$ 5.8675 per bushel, 5 cents up from the low and 2.25 cents off the high. December Soymeal finished up \$ 1.4 at \$ 174.8/metric ton, \$ 2.3 up from the low and \$ 0.5 off the high. December Soybean Oil settled low 0.03 cents at 22.16 cents/pounds, 0.22 cents off the high and 0.06 cents up from the low. Weekly export report came with in earlier expectations. Weekly US export sales for soybean was put at 644800 metric ton as compared to trade expectations of 500000-700000 metric ton. Cumulative sales reached at 37.4% of the USDA forecast for this season so far as compared to 54.2% on average over the last five years. Sales of 434,500 metric tonnes per week are required to achieve the USDA estimate. Meal export sales were 204,700 metric tonnes as compared to trade expectations range 100,000 to 150,000 metric ton. Cumulative sales reached at 33.1% of the USDA forecast as compared to 38.5% on average over the last five years. Oil sales were 900 metric tonnes as compared with trade expectations range 2,000-7,000 pounds. Report of good rains in northern Brazil helped limiting gains in Soybean prices. Good export of Soymeal attributed strength in the soy markets.

CBOT Soy oil futures as 17.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	22.19	22.25	22.38	22.10	22.16	-0.03
Jan'06	22.43	22.45	22.64	22.28	22.34	-0.09
Mar'06	22.69	22.72	22.80	22.55	22.60	-0.09
May'06	22.9	22.97	23.05	22.80	22.83	-0.07
Jul '06	23.18	23.20	23.28	23.03	23.03	-0.15
Aug'06	23.26	23.38	23.38	23.13	23.13	-0.13

CBOT remains closed on Saturday and Sunday.

South American Soy Futures Settle Down

South American soy future settled lower yesterday. March South American soybeans settled 16 cents lower on Thursday at \$ 608 per bushel. Cash trade was very low in Brazil. There was weak demand of soybean from crushers' side only due to very poor margins and six plants of soybean crushing has closed. There were rumours that China is going to buy soybeans from Argentina. There is no doubt that the traders attention is shifted towards the South American soybean crop prospects. There were expectation of better yield in South America due to favourable weather for soybean crop planting and production, despite of that the low acreage of soybean crop in South America. Better weather is important factors for turning market down. China

rejected 2 cargo of Soymeal due to low internal prices of Soymeal. There is low demand of Soymeal due to continuous outbreak of bird flu in China. Indonesia palm oil output is expected to increase by near 1.1 million tonnes in 2006 to 14.7 million tonnes. Weekly export sales report revealed that soybean sales were at 644,800 tonnes, which was within the range of traders expectations and it was 580,100 tonnes in last week. Meal sales were 204,700 tonnes, which was above expectations, and oil sales were 900 tonnes, which was lower than expected range.

Dalian Commodity Exchange (Soybean)

Soybean futures at Dalian Commodity Exchange (DCE) remained down in dumps on growing concern over bird flu. Soybean futures at DCE finished lower for the fourth consecutive day on Friday. Benchmark May soybean future settled off CNY19 at CNY 2682 per ton. Day in, day out, there are fresh reports of bird flu emerging from different part of the countries. New cases have been reported in Hubei and northwestern Xinjiang region. Recurring outbreaks has caused depression in Feed markets, which eventually has resulted in decline in off take of soy meal.

BMD Crude Palm Oil Futures End Slightly Up

Crude Palm oil futures settled higher on ideas that market was oversold in recent sessions. Benchmark February future settled up MYR1 at MYR1418 per ton. Although seasonal decline in production of Malaysian palm oil is set to start from November month itself, traders still deem requirement of good demand to absorb increased burden of rising stock. Stock of MPO at end of October was estimated at 1.50 million ton. Traders are expecting fresh lead from the MPO export data for first 20 days of November to be released on Monday.

BMD: CPO Futures (18.11.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1416	1417	1420	1410	1418	+2	458
Jan '06	1415	1415	1420	1410	1420	+5	654
Feb '06	1417	1413	1420	1409	1418	+1	2685
Mar '06	1417	1415	1420	1409	1419	+2	323
Apr '06	1417	1410	1415	1410	1415	-2	48

BMD remains closed on Saturday and Sunday.

Revised tariff rate on 16.11.2005 by the GOI.

(Unit:: US \$ / Metric Tonnes)

Commodity	Revised tariff rate w.e.f. 16.11.05	Previous tariff rate	Difference (US \$/ MT)
CPO palm oil	433	434	- 1
Crude palmolein	440	443	- 3
RBD palm oil	435	439	- 4
RBD Palmolien	445	449	- 4
Crude soybean oil	510	513	- 3

Palm Oil

Palm oil prices at spot market remain range bound. Government of India revised lower Import base prices marginally on palm oil and palm products (\$ 1-4 per ton) Although seasonal decline in production of Malaysian palm oil is set to start from November month itself, traders still deem requirement of good demand to absorb increased burden of rising stock. Stock of MPO at end of October was estimated at 1.50 million ton. Market sentiments is expected range bound.

FOB prices of CPO (December) were last quoted at \$ 367.50 per tonne and RBD Palmolein at \$ 402.50 per tonne.

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

Centres	18.11.05	17.11.05	Change
Kandla CPO (5 % FFA)	339	338	+1
Kandla RBD Palmolein	358	359	-1
Mumbai RBD Palmolein	372	372	0
Chennai RBD Palmolein	380	382	-2
Kakinada RBD Palmolein	380	381	-1

Soy oil

Domestic market sentiment range bound. Soy oil future has taken positive correction. NCDEX is opened at low but improved later and settled positive at the end of the day and NBOT also settled positive. The above-mentioned factors may cause to improve soy oil prices at spot market also. US Soy oil export demand was low. Arrival of Soybean is 3.25 lakh, 2.5 lakh and 2.00 lakh bags (1 bags=85 kg) in Madhya Pradesh, Rajasthan and Maharashtra respectively.

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 \$ 498 per tonne.

Market sentiment of soyoil expected range bound.

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

Centres	18.11.05	17.11.05	Change
Mumbai (Soy Ref oil)	363	362	+1
Indore (Soy Ref oil)	342	341	+1
Indore (Solvent Ex. oil)+VAT	315	318	-3
Kota (Soy Ref. Oil)	348	348	0
Jaipur (Soy Ref. Oil)	352	352	0
Nagpur (Soy ref. Oil)	340	340	0

NBOT Soy oil futures as on 18.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	346.40	345.80	347.90	345.70	347.30	+0.9	24000
Jan 05	350.40	350.50	352.70	350.50	352.20	+1.8	1540

NCDEX Soy oil futures as on 18.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	339.50	338.25	341.65	328.25	341.00	3300	2000
Dec'05	347.00	346.10	348.90	346.10	348.70	4700	21490
Jan 06	350.80	350.20	353.10	350.15	353.35	1690	6570

Rape/Mustard oil

Domestic market of mustard oil prices range bound. February mustard seed future settled higher in Hapur as well as Delhi market. Sowing acreage of mustard is increased to 6 lakh hectare and production estimate increased at 60 lakh ton. Total oil seeds production figure estimated higher this year as compared to previous year, despite of this India's import of edible increased this year by 15 % as compared to previous marketing year. The market sentiment is expected range bound.

Spot Market Price (Rs. per 10 kg)

Centres	18.11.05	17.11.05	Change
Mumbai (Rape Expeller Oil)	383	385	-2
Kota (Rape Expeller Oil)	372	372	0
Jaipur (Rape Expeller Oil)	376	375	+1
Delhi (Rape Expeller Oil)	389	390	-1
Neewai (Kacchi Ghani Rape Oil)	385	385	0

Groundnut oil

Groundnut oil prices at domestic market remain declined. Harvesting in some parts of Andhra state is started and in some pockets of Tamil Nadu. An estimates for groundnut production total (shell) were revised higher at 51 lakh ton up against 44.5 lakh tonnes last year. Estimate for Gujarat states was put at 20 lakh ton as compared with last year harvest of 15 lakh ton. More that 75 percent harvesting of groundnut is over in Gujarat. Arrivals of groundnut in the Gujarat are marginally declining.

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

Centres	18.11.05	17.11.05	Change
Mumbai	450	452	-2
Rajkot	445	445	0
Andhra Region	477	478	-1
Chennai	450	455	-5

Forex Rates (As on 18.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.74
European Union	Euro	53.60
United Kingdom	Pound Sterling	78.53
Japan	100 Yen	38.40
Malaysia	Ringgit	12.11

LATEST WEATHER WATCH (18.11.2005)

Clear skies and dry weather is cross over oil seed producing states.

PORT-WATCH (Latest) :

Delivery of 2,500 MT of CPO is continuing at Kandla Port from the vessel 'Star Dream'. The cargo was loaded from Malaysia. Interocean agents is handling the vessel. 'Shimakaze' from Malaysia is expected at Kandla Port to deliver 8,500 MT of CPO. The vessel will be handled by Interocean agents.

'Filma Satu' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. The port is expecting 'Khadijah' to deliver 6,000 MT of CPO. The vessel will be handled by Seaport agents.

Mumbai Port is receiving 5,000 MT of palm oil from the vessel 'Shimakaze'. The cargo was loaded from Malaysia. Interocean agents is handling the vessel.

'Star Orion' has berthed at Kakinada Port and continues to discharge 6,000 MT of CPO. The port is receiving 5,000 MT of CPO from the vessel 'Victory Prima'. The port is expecting 'MMM Houston' to discharge 6,000 MT of CPO.

Delivery of 3,000 MT of palm oil is expected at Chennai Port from the vessel 'Star Orion'. Seaport agents will be handling the vessel.

'Hua Yun 5' has berthed at New Mangalore Port and continues to discharge 4,449 MT of CPO. SBM agents is handling the vessel.

Mundra Port is expecting 'Laertis' to deliver 19,500 MT of SBO. 'Bang Cendra Wasih' is expected at the port to deliver 23,000 MT of SBO. Interocean agents will be handling these vessels.

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

Cochin Port is 'Hua Yun 5' to deliver 4,000 MT of palm oil. Seaport agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Star Orion	3000	Palm Oil	Expected
Mumbai	Shimakaze	5000	Palm Oil	Arrived
Mundra	Siam Bhavas	6300	SBO	Expected
	Laertis	19500	SBO	Expected
	Bang Cendra Wasih	23000	SBO	Expected
Kakinada	Star Orion	6000	CPO	Arrived
	Victory Prima	5000	CPO	Arrived
	MMM Houston	6000	CPO	Expected
Kolkata	Filma Satu	6000	CPO	Arrived
	Khadijah	6000	CPO	Expected
Kandla	Star Dream	2500	CPO	Arrived
	Shimakaze	8500	CPO	Expected
Manglore	Hua Yun 5	4449	CPO	Arrived
JNPT	Laertis	10000	SBO	Expected
Cochin	Hua Yun 5	4000	Palm Oil	Arrived

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