

VEGOIL

05th November 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soy Oil Markets See Gloomy Trend
- CBOT Soy Futures Settle Lower

TECHNICAL ANALYSIS

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

Technical Analysis for November Contract:

1. Candlestick is forming inverted hammer (Closing Marubozu) depicting weakness in the prices.
2. Prices remained below 9-days EMA at 359.10 and 18-days EMA at 359.50, which is bearish signal.
3. MACD is still below signal line and facing downward indicating continuation of weak trend
4. %K line is just crossing %D line and heading downward. Stochastic oscillator is in neutral zone.

Market advice: Go short with target of Rs 353 per 10 kg levels for November contract.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	353.5	352.90	355	356

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 lower on Friday. November soybean future settled off 11.25 cents at \$5.805 and January off 9.75 cents at \$5.92 per bushel. December soy meal closed off \$2.1 at \$176.2 per ton. December soy oil settled off 59 points at 22.94 cents per pound. Weakness in energy prices triggered liquidation in soy oil. Though reports of Chinese buying of 3-lakh ton soybean this week helped cushioning futures. Traders are least optimistic for continuation of aggressive demand from China. Following fresh case of avian flu in China, demand for the same is likely to be begged off. China itself is harvesting 170 lakh ton of soybean. Further, South America will reap record soybean crop given weather remain favorable. Weather in South America is a crucial factor.

CBOT Soy oil futures as 03.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	23.53	23.36	23.45	22.86	22.94	-0.59
Jan'06	23.79	23.60	23.65	23.10	23.17	-0.62
Mar'06	24.01	23.85	23.86	23.30	23.44	-0.57
May'06	24.22	23.95	24.00	23.50	23.59	-0.63
Jul '06	24.35	24.15	24.15	23.71	23.78	-0.57
Aug'06	24.35	-	-	-	23.83	-0.52

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 (02.11.2005)

(Ringgit/ton)

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

Trading in palm oil markets remained thin. Production of palm oil starts dropping from the month of November in origin countries. But locals are least bothered about seasonal decline in palm oil. As of now, situation of stock is comfortable. Further, palm oil is getting stiff competition with its traditional rival soy. Burdensome supply of soy has

been blamed for lack of enthusiasm in palm oil markets, despite of approaching period of seasonal decline.

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	05.10.05	04.11.05	Change
Kandla CPO (5 % FFA)	340	341	-1
Kandla RBD Palmolein	361	364	-3
Mumbai RBD Palmolein	373	374	-1
Chennai RBD Palmolein	380	382	-2
Kakinada RBD Palmolein	378	378	-

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 Palmolien	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 featured bearish trend. Demand for the same remained low from the retail end. Lot of soy consignments is coming in from the overseas markets. Fresh reports of avian flu in Vietnam and China depict bearish picture of soy in international markets. Weather in Brazil and Argentina is the crucial factor to look upon. Traders are expecting USDA to raise its estimates for Soybean production in United State. The USDA is scheduled to release its monthly crop estimates report on November 10.

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

Centres	05.11.05	04.11.05	Change
Mumbai (Soy ref.)	352	353	-1
Indore (Soy Ref oil)	351	352	-1
Indore (Soy Solvent Ex. oil)	322	323	-1
Kota (Soy Ref. Oil)	358	360	-2
Jaipur (Soy Ref. Oil)	362	365	-3

Nagpur (Soy ref. Oil)	352	355	-3
-----------------------	-----	-----	----

NBOT Soy oil futures as on 04.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Nov 05	354.70	355.70	355.80	354.60	355.50	+0.80	12540
Dec 05	359.50	360.50	361.10	359.80	360.70	+1.20	13640

NCDEX Soy oil futures as on 04.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	357.75	357.75	357.75	355.90	356.90	2720	18980

Rape/Mustard oil

Rape oil markets featured dull trend. Sowing of rapeseed has started. However, farmers are least interested in this crop. Due to poor realization of last year crop and high level of stock with private traders and government institutes, farmers are opting for other better alternatives like chana. Shelf life of mustard seed is very good and can be stored for a longer period.

Spot Market Price (Rs. per 10 kg)

Centres	05.11.05	04.11.05	Change
Mumbai (Rape Expeller Oil)	384	384	-
Kota (Rape Expeller Oil)	368	368	-
Jaipur (Rape Expeller Oil)	378	378	-
Delhi (Rape Expeller Oil)	395	395	-
Neewai (Kacchi Ghani Rape Oil)	380	380	-

Groundnut oil

Groundnut oil markets featured dull trend. Demand for the same remained low from the retail end. Downtrend in other oils also weighed on values. Harvest of groundnut is still in progress in Gujarat. Traders are expecting arrivals in coming weeks after brief pause in recent due to festivity.

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

Centres	05.11.05	04.11.05	Change
Mumbai	496-497	502	-5
Rajkot	485	488	-3
Andhra Region	516-518	520	-2
Chennai	465-468	470	-2

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 04.11.2005)

Country/Continent	Currency	Value in Rupees
USA	Dollar	45.41
European Union	Euro	54.19
United Kingdom	Pound Sterling	80.24
Japan	100 Yen	38.56

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.