

VEGOIL

04th November 2005

MAJOR ACTIVITY HIGHLIGHTS

- Rape Oil Markets See Lackluster Trend
- CBOT Soy Futures Settle Higher

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Technical Analysis for November Contract:

1. The MACD has made a bearish crossover of its signal line indicating some more weakness.
2. The stochastics oscillator shows short term weakness.
3. Prices have fallen well below the 9-day and 18-day EMA lines indicating bearishness. Also 9-day EMA has fallen below 18-day EMA indicating medium term weakness.

Prices are likely to fall up to the mid term support trendline at 361

Market advice: Go short with target of Rs 361 per 10 kg levels for November contract.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	355.95	355.00	357.80	358.70

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 CBOT ended high in yesterday's trading session due to technical bounce and decent weekly export sales news followed by firm cash prices. November Soybean futures ended 18.25 cents up at \$ 5.9175 and December Soybean futures settled high by \$4.40 at \$178.30 a short ton and Soybean December contract was up by 69 points and settled at 23.53 cent a pound. The report revealed weekly US export sales for soybeans were 7,61,400 metric tonnes as compared to the trade expectations of 6,00,000-9,00,000 metric tonnes. Meal sales were 3,05,000 metric tonnes as compared to trade expectations between 75,000-2,00,000. Soybean Oil sales were 4,700 tonnes as compared to expected range of 2,000-10,000. Rally got its support from talk of export interest shown by China. The government of Brazil announced its first official production forecast for 2005/2006 seasons of 56.7 to 58.6 million tonnes that is higher than last year's production of 51.1 million tonnes.

CBOT Soy oil futures as 03.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	22.84	22.92	23.58	22.78	23.53	+0.69
Jan'06	23.07	23.20	23.80	22.98	23.79	+0.72
Mar'06	23.27	23.40	24.02	23.21	24.01	+0.74
May'06	23.45	23.60	24.22	23.42	24.22	+0.77
Jul '06	23.63	23.63	24.40	23.58	24.35	+0.72
Aug'06	23.67	23.75	24.35	23.70	24.35	+0.68

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)

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 continued to feature steady trend. Seasonal decline in production of palm oil is due in coming months in origin countries. Palm although is perennial crop, its production start shrinking from November month seasonally. Given demand maintained the similar pace,

likely decline in production from this month help improving palm oil prices in coming months.

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	04.10.05	03.11.05	Change
Kandla CPO (5 % FFA)	341	341	+3
Kandla RBD Palmolein	364	361	+3
Mumbai RBD Palmolein	374	374	+4
Chennai RBD Palmolein	382	382	+2
Kakinada RBD Palmolein	378	378	+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 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 continued to see downtrend despite overnight firm closing of soy futures at Chicago Board of Trade. Since, festival season is over. Perspective of soy as of now seems gloomy. Harvest of soybean is in progress in the major producing states. Sentiments improved a bit in international soy markets on mitigating concern over bird flu. Harvest is record good in United State. Traders are expecting further increase in production number in monthly crop report of USDA to be released next week. Now, game would be on numbers for South American Crop. There have been many clamors for decline in acreage in Brazil due to lack of funding. In case if numbers for South American crop remain unchanged, market would see long bearish trend. In its last report USDA had estimated the collective harvest of soy in South America close to 99 million ton.

Soybean oil - Spot Market Price

(Rs. per 10 kg)

Centres	04.11.05	03.11.05	Change
Mumbai (Soy ref.)	353	353	-
Indore (Soy Ref oil)	352	352	-
Indore (Soy Solvent Ex. oil)	323	323	-
Kota (Soy Ref. Oil)	360	360	-
Jaipur (Soy Ref. Oil)	365	365	-
Nagpur (Soy ref. Oil)	355	355	-

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

Rapeoil markets continued to look for direction. There is no zeal left in the market. Festival demand is over. Stock of rapeseed is good. Traders are expecting likely decline in acreage of rapeseed due to poor realization against last year crop. Even in off-season, Rapeseed is still being traded at prices substantially lower than Minimum Support Prices for the same announced in recent by the government. Sowing of the same has been started in northern states.

Spot Market Price (Rs. per 10 kg)

Centres	04.11.05	03.11.05	Change
Mumbai (Rape Expeller Oil)	384	380	+4
Kota (Rape Expeller Oil)	368	368	-
Jaipur (Rape Expeller Oil)	378	378	-
Delhi (Rape Expeller Oil)	395	393	+2
Neewai (Kacchi Ghani Rape Oil)	380	382	-2

Groundnut oil

Activities in groundnut oil markets remained thin due to extended festival mood. Demand for the retail end is likely to remain subdued in coming sessions. Weather has been reportedly clear in Southern states, where there were some rumors earlier about crop losses. Traders said it would be too early to quantify the losses in terms of numbers. Otherwise there is nothing pushy in markets.

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

Centres	04.11.05	03.11.05	Change
Mumbai	502	502	-

Rajkot	488	488	-
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 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	5520	Palm oil	Expected

	Champion			
	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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