

VEGOIL

November 10, 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Slightly Higher
- BMD CPO Futures Settle Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX October Contract

Technical Analysis for November Contract:

1. The MACD is continuing its downward movement below its signal line indicating medium term weakness.
2. The stochastic has turned upward in the oversold zone hinting reversal in trend, but still require confirmation.
3. Close below 9 days EMA and 18 days EMA is indicating medium term bearishness.
4. Candlesticks has formed hammer pattern indicating reversal in current trend, but confirmation is needed.

Market Advice: Trend reversal is likely. Go short with tight stop losses.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	345.30	342.70	350.80	352.60

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:

CBOT Soy Future Settled Slightly Higher

Soy future settled slightly higher at Chicago Board of Trade on Wednesday. November Soybeans settled higher 4 cents at \$ 5.7825 per bushels, 2.75 cents off the high and 8.75 cents up from the low and January Soybeans settled higher 3 cents at \$ 5.885 per bushel, 3.5 cents off the high and 8 cents up from the low. December Soymeal settled marginally high \$ 0.4 at \$ 174.3 per tonnes, \$ 1.5 off the high and \$ 2.3 up from the low. December Soybean Oil settled slightly high 0.15 cent at 22.96 cents/pounds, 0.22 cents off the high and 0.36 cents up from the low. Traders are expecting larger crop size from November (tomorrow's) USDA's production report. Traders' expectation about soybean production would be around 3.024 billion bushels as compared with the October USDA estimate of 2.967 billion bushels. Rumors are that China is showing more interest to buy soybean oil rather than soybeans and Soymeal only due to poor demand of Soymeal in China. China has already cancelled approximately 52000 metric tonnes of Indian Soymeal only because low demand from poultry industry of Soymeal due to spread of bird flu. Favourable weather in South America for planting of soybean can increase the sowing acreage of soybean in South America; it would bring positive impact on the production side.

CBOT Soy oil futures as 09.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	22.81	22.78	23.18	22.60	22.96	+0.15
Jan'06	23.00	22.95	23.38	22.85	23.18	+0.18
Mar'06	23.25	23.20	23.60	23.11	23.41	+0.16
May'06	23.48	23.38	23.75	23.33	23.62	+0.14
Jul '06	23.66	23.56	23.95	23.53	23.82	+0.16
Aug'06	23.71	23.63	23.95	23.63	23.88	+0.17

CBOT remains closed on Saturday and Sunday.

South American Soy Futures Settle Marginally Higher

South American soy future settled marginally higher on Wednesday. March South American soybeans settled higher 1.75 cents at \$ 6.15 per bushel on Wednesday and volume of trade was in 43 contracts. There was remains talk of high demand of soybean oil from China. Traders' attention may shift towards South American Soybean from US Soybean. Traders' expectations are larger crop size and production in November USDA production report as compared with October USDA estimate. Rumors are that China is showing more interest to buy soybean oil rather than soybeans and Soymeal only due to poor demand of Soymeal in China. China has already cancelled approximately 52000 metric tonnes of Indian Soymeal only because low demand from poultry industry of Soymeal due

to spread of bird flu. Due to low demand of meal in China, the crusher of soybean will be in loss that's why it is expected to decline the soybean import from Chinese crushers. However, low demand of soybean import from China is a positive signal for Soybean oil import.

KLCE: CPO Futures (10.11.2005)

(Rinngit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1434	1429	1443	1429	1443	+9	523
Dec '05	1428	1425	1442	1425	1437	+9	473
Jan '06	1427	1420	1441	1419	1435	+8	3146
Feb '06	1427	1420	1440	1420	1435	+8	1338
Mar '06	1427	1430	1439	1430	1439	+12	7

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic market range bound. However, palm oil future settled up on KLCE today. Palm oil prices expected range bound due to harvesting of soybean cross over producing states. Soybean oil and palm oil both are substitute of each other. Market sentiment is expected range bound.

FOB prices of CPO (Nov) were last quoted at \$ 367.50 per tonne and RBD Palmolein at \$ 405 per tonne.

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

Centres	10.11.05	09.11.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	359	360	-1
Mumbai RBD Palmolein	373	374	-1
Chennai RBD Palmolein	387	388	-1
Kakinada RBD Palmolein	385	385	0

Soy oil

Soy oil prices at spot market are slightly declined. Soy oil prices at domestic market are declining only due to bumper harvesting of soybean and groundnut crop and crushing of the same. Harvesting of soybean is on peak in major producing states of India. The arrivals of soybean were 2.00 lakh bags, 1.5 lakh bags and 1.5 lakh bags (1bag=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. The arrival of soybean is 25000 bags only in Kota market. November Soy future at NBOT and NCDEX is also negative. However, Soy future on Chicago Board of Trade settled slightly higher yesterday and Palm oil future settled higher today at KLCE. But these two factors could not affect on domestic market sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 332 per 10 kg. CNF prices for soy degum (November Shipment) at Kandla were quoted at \$ 512 per tonne.

The market sentiment of soy oil is expected range bound.

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

Centres	10.11.05	09.11.05	Change
Mumbai (Soy Ref oil)	363	364	-1
Indore (Soy Ref oil)	344	346	-2
Indore (Solvent Ex. oil)+VAT	318	319	-1
Kota (Soy Ref. Oil)	354	358	-4
Jaipur (Soy Ref. Oil)	358	363	-5
Nagpur (Soy ref. Oil)	343	345	-2

NBOT Soy oil futures as on 10.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Nov 05	347.50	347.50	347.50	344.80	345.00	-2.50	11320
Dec 05	355.80	355.20	355.80	353.10	353.60	-2.20	25740

NCDEX Soy oil futures as on 10.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	349.85	349.60	350.00	345.10	347.90	12220	13520
Dec'05	355.65	355.60	356.00	353.25	353.95	9520	25320

Rape/Mustard oil

Mustard oil prices at spot market range bound. It may be only because the availability of other edible oil in the market like soybean oil, palm oil and vanaspati oil etc. These are substitute of mustard oil. Harvesting of soybean and groundnut and crushing of the same could cause range bound. There is huge stock of mustard seeds with NAFED as well as private stockist. Mustard oil prices are expected range bound further.

Spot Market Price (Rs. per 10 kg)

Centres	10.11.05	09.11.05	Change
Mumbai (Rape Expeller Oil)	380	381	-1
Kota (Rape Expeller Oil)	370	370	0
Jaipur (Rape Expeller Oil)	378	378	0
Delhi (Rape Expeller Oil)	392	390	+2
Neewai (Kacchi Ghani Rape Oil)	386	386	0

Groundnut oil

Groundnut oil prices at domestic market slightly declined. Groundnut oil prices declined only because the harvesting of groundnut is on peak in Gujarat. According to local traders, approximately 65- 75 per cent area of groundnut is harvested in Gujarat states. Arrival of Groundnut was more than 2 lakh bags (bags=35 kg) in whole Gujarat and arrival of 40,000 bags were in Rajkot market only. Harvesting of Groundnut in Andhra region is expected in last week of this month. Groundnut oil prices are expected range bound.

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

Centres	10.11.05	09.11.05	Change
Mumbai	480	488	-8
Rajkot	455	455	0
Andhra Region	500	510	-10
Chennai	485	485	0

PORT-WATCH (Latest) :

'Spring Wind' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. Delivery of 7,000 MT of CPO is continuing at Kolkata Port from the vessel 'Global Saturn'. 'Mega Crown I' has berthed at Kolkata Port and continues to discharge 1,850 MT of CPO. Seaport agents is handling these vessels. Delivery of 6,100 MT of CPO is expected at Kolkata Port from the vessel 'Verna Grace'. GAC agents will be handling the vessel.

'Global Venus' has berthed at JN Port and continues to discharge 9,000 MT of CPO. The vessel is being handled by St.John agents.

'Tirta Niaga I' will be carrying 5,000 MT of palm oil from Mundra Port. Taurus agents is handling the vessel. The port is expecting the delivery of 6,300 MT of SBO from the vessel 'Siam Bhavas'.

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.

Mumbai Port is receiving 7,500 MT of palm oil from the vessel 'Global Eos'. Forbes Gokak agents is handling the vessel.

'Star Orion' is expected at Kakkinada Port to discharge 3,000 MT of CPO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Global Saturn	7000	CPO	Arrived
	Spring Wind	6000	CPO	Arrived
	Mega crown I	1850	CPO	Arrived
	Verma Grace	6100	CPO	Expected
JN	Global Venus	9000	CPO	Arrived
Mumbai	Global Eos	7500	Palm Oil	Arrived
Mundra	Tirta Niaga I	5000	Palm oil	Arrived
	Siam Bhavas	6300	SBO	Expected
Kakinada	Star Orion	3000	CPO	Expected
Chennai	Star Orion	3000	Palm Oil	Expected

LATEST WEATHER WATCH (10.11.2005)

There is favorable weather for harvesting of soybean and groundnut cross over producing states.

Forex Rates		(As on 10.11.2005)
Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.81
European Union	Euro	53.90
United Kingdom	Pound Sterling	79.80
Japan	100 Yen	38.90
Malaysia	Ringgit	12.11

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.