

VEGOIL

November 11, 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Ends Moderately Low
- BMD CPO Futures Has No Clear Cut Direction

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 continued in upward direction in the oversold zone hinting reversal is near about, but still require confirmation.
3. Close below 9 days EMA and 18 days EMA is indicating medium term bearishness.
4. Candlesticks has formed morning star pattern hinting trend reversal likely, but confirmation is needed. If market opens up tomorrow it will be a positive signal.

Market Advice: Trend reversal is likely. Those who are long should maintain their position. Better to avoid new positions.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Nov'05	346.70	345.70	348.80	349.80

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 Ends Moderately Low

Soybean futures at Chicago Board of Trade ended moderately low yesterday. However prices improved from previous lows by reason of technical buying and strength observed in Soymeal. November Soybean futures ended 1.25 cents lower at \$ 5.8750 and December Soymeal settled high by \$1.20 higher at \$175.50 a short ton and December Soybean ended about 19 points low and finally settled at 22.77 cents per pound. Market gained strength on news of China's buying interest in US soybean. Soybean futures declined on technical selling force. USDA declared production of 3.043 billion bushels up 76 million bushels from Octobers forecast. Also USDA declared its weekly export sales report according to which soybeans worth 761400 metric tonnes were exported. This was higher than the consensus of 600000-900000 metric tonnes. Soybean sales were 4700 tonnes as compared to expected 2000-10000 tonnes. Government of Brazil declared its forecast for soybean production of 56.7 to 58.6 million tonnes. This is higher than last year's production of 51.1 million tonnes.

CBOT Soy oil futures as 10.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	22.96	22.70	22.82	22.50	22.77	-0.19
Jan'06	23.18	22.87	23.00	22.68	22.94	-0.24
Mar'06	23.41	23.05	23.27	22.93	23.25	-0.16
May'06	23.62	23.30	23.45	23.22	23.45	-0.17
Jul '06	23.82	23.53	23.65	23.38	23.65	-0.17
Aug'06	23.88	23.60	23.70	23.50	23.70	-0.18

CBOT remains closed on Saturday and Sunday.

South American Soy Futures Settle Marginally Higher

South American soy future settled marginally higher yesterday. March South American soybeans settled 3 cents higher on Thursday at \$ 6.18 per bushel and volume of trade was in 53 contracts. The latest USDA's report revealed bearish tone. USDA soybean crop production report bit increased at 3.043 billion bushels as compared with the average trade estimate near 3.024 billion bushels and October USDA estimate was 2.967 billion bushels. Average yield revised higher that is 42.7 bushels/acre, it was 41.6 in previous month and 42.2 were last year. Ending stock was 350million bushels while trade expectations were about 317 million bushels and it was 260 million bushels in previous month's report. The crush demand revised higher by 25 million bushels; however export demand revised lower by 40 million bushels. Brazil production revised lower by 58.5 million tonnes, while it was 60 million tonnes in last month's report. World ending stocks for 2005-06 revised lower by 46.75 while it was 47.41 in last month's report and it was 42.09 million tonnes in past season. Demand of soybean and oil continued to decline due to spread of bird flu in two more regions in

China (now 6 outbreaks in the past month) and the Chinese Premier has warned that the country is facing a very serious situation as the disease spread is still not under control. According to traders estimation of Soymeal demand from Chinese poultry industry will decline about 15% due to bird flu in China. Favourable weather condition in South America will help in increasing acreage of soybean.

KLCE: CPO Futures (11.11.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Nov '05	1442	1440	1442	1436	1441	-1	199
Dec '05	1436	1437	1439	1436	1438	+2	150
Jan '06	1435	1433	1439	1432	1436	+1	822
Feb '06	1435	1436	1438	1432	1435	0	265
Mar '06	1435	1438	1438	1438	1438	+3	2

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic market range bound. However, palm oil future has no clear-cut direction. Palm oil prices expected range bound only because huge availability of groundnut and soybean in India. 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 \$ 370 per tonne and RBD Palmolein at \$ 405 per tonne.

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

Centres	11.11.05	10.11.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	360	359	+1
Mumbai RBD Palmolein	373	373	0
Chennai RBD Palmolein	388	387	+1
Kakinada RBD Palmolein	385	385	0

Soy oil

Soy oil prices at spot market range bound. Soy oil prices at domestic prices range bound only because the harvesting of soybean is likely over and arrival of soybean is declining. 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. Arrival of 33, 000 bags in Kota market. November Soy future at NBOT and NCDEX is also negative. It is expected that the Soy future may take positive correction.

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 \$ 511 per tonne.

The market sentiment of soyoil is expected range bound.

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

Centres	11.11.05	10.11.05	Change
Mumbai (Soy Ref oil)	363	363	0
Indore (Soy Ref oil)	344	344	0
Indore (Solvent Ex. oil)+VAT	317	318	-1
Kota (Soy Ref. Oil)	353	354	-1
Jaipur (Soy Ref. Oil)	357	358	-1
Nagpur (Soy ref. Oil)	343	343	0

NBOT Soy oil futures as on 11.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Nov 05	345.2	344.2	345.2	344.2	344.5	-0.7	5250
Dec 05	353.9	352.8	354.2	343.5	353.7	-0.2	20950

NCDEX Soy oil futures as on 11.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	347.85	346.50	348.25	346.50	347.75	3230	12690
Dec'05	353.90	353.25	354.60	352.75	354.25	8250	23150

Rape/Mustard oil

Mustard oil prices at spot market were marginally high. Harvesting of soybean is approximately over in major producing states and arrival of soybean is slightly declining. Harvesting of groundnut is near about 70-75 per cent is over in Gujarat states. These are substitute of mustard oil. Mustard oil prices are expected rang bound further.

Spot Market Price (Rs. per 10 kg)

Centres	11.11.05	10.11.05	Change
Mumbai (Rape Expeller Oil)	381	380	+1
Kota (Rape Expeller Oil)	372	370	+2
Jaipur (Rape Expeller Oil)	378	378	0
Delhi (Rape Expeller Oil)	394	392	+2
Neewai (Kacchi Ghani Rape Oil)	388	386	+2

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 70-75 per cent area of groundnut is harvested in Gujarat states. Arrival of Groundnut was more approximately 2 lakh bags (bags=35 kg) in whole Gujarat and arrival of 30,000 bags were in Rajkot market only. Harvesting of Groundnut in Andhra region is expected in last week of November. According to local traders, the groundnut oil prices would not decline further. Market sentiment is expected range bound.

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

Centres	11.11.05	10.11.05	Change
Mumbai	472	480	-8
Rajkot	451	455	-4
Andhra Region	500	500	0
Chennai	472	480	-8

LATEST WEATHER WATCH (11.11.2005)

There is favorable weather for cross over producing states.

PORT-WATCH (Latest) :

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. 'Belicia' is expected at the port to deliver 2,000 MT of palm oil. The vessel will be handled by Interocean agents.

Kandla Port is expecting 'Pacific Sound' from Malaysia to discharge 10,900 MT of palm oil. Interocean agents will be handling the vessel.

'Vernal Grace' has berthed at Kolkata Port and continues to discharge 6,000 MT of CPO. GAC agents is handling these vessels. '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'.

Mundra Port is expecting the loading of 6,300 MT of SBO from the vessel 'Siam Bhavas'.

Mumbai Port is expecting 'Star Dream' to discharge 7,500 MT of palm oil. Interocean 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
	Vernal Grace	6000	CPO	Arrived
Mumbai	Star Dream	7500	Palm Oil	Expected
Mundra	Siam Bhavas	6300	SBO	Expected
Kakinada	Star Orion	3000	CPO	Expected
Chennai	Star Orion	3000	Palm Oil	Arrived
	Belecia	2000	Palm Oil	Expected
Kandla	Pacific Sound	10900	Palm Oil	Expected

Forex Rates (As on 11.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.77
European Union	Euro	53.51
United Kingdom	Pound Sterling	79.74
Japan	100 Yen	38.90
Malaysia	Ringgit	12.03

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