

VEGOIL

November 17, 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Future Settle Lower
- BMD CPO Futures Settle Mixed

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 remain in oversold region. Indicating short term bearishness in the market.
3. Close below 9 days EMA and 18 days EMA is indicating medium term bearishness.

Market Advice: Remain short.

Resistance & Support Levels (Most Active Contract)

Contract	Contract	Support		Resistance	
		1st	2nd	1st	2nd
NCDEX	Dec'05	345.60	344.50	349.10	350.80

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 Lower

Soy future settled lower at Chicago Board of Trade on Wednesday. January Soybeans settled lower 15.50 cents at \$ 5.7675 per bushel, 17.75 cents off the high and 2.75 cents up from the low and March Soybeans settled lower, 3.25 cents up from the low and 16.25cents off the high. December Soybean finished down \$ 6.8 at \$173.4/metric tonnes, \$ 1.2 up from the low and \$ 6.3 off the high. December Soybean Oil closed down 0.15 cents at 22.19 cents/pounds, 0.2 cents off the high and 0.02 cents up from the low. Excellent weather in South America this week and continued talk of outbreak of bird flu in China would bring the negative impact on soy market. Dry weather in Brazil will help to increase the acreage of soybean plantation in southern parts of Brazil. Argentina increased soybean acreage for 2005-06 seasons at 15.1 million hectare as compared with 15.0-15.3 million projected last months and this figure was 14.4 million hectare last year. US Soybean production is forecast revised higher at 2.97 billion bushels, it is 4 % up from September month but 5 % below from 2004.

CBOT Soy oil futures as 16.11.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	22.34	22.33	22.39	22.17	22.19	-0.15
Jan'06	22.53	22.53	22.60	22.38	22.43	-0.10
Mar'06	22.76	22.78	22.85	22.62	22.69	-0.07
May'06	23.00	23.05	23.07	22.85	22.90	-0.10
Jul '06	23.23	23.25	23.30	23.10	23.18	-0.05
Aug'06	23.33	23.40	23.40	23.22	23.26	-0.07

CBOT remains closed on Saturday and Sunday.

South American Soy Futures Settle Unchanged

South American March soy future settled unchanged yesterday at \$ 6.24 per bushels. Cash trade was low due to weak demand from crushers only because poor margins. The attention of traders is shifting towards the South American soybean crop prospects. Supply of US soybean will increase due to shifting attention of traders towards South American Soybean and also low export demand of US soybean. Traders are expecting more production due to favourable weather for South American Soybean crop despite low acreage of soy crop and less input used. This week rain in Argentina may be crucial factor to bring down market. More production may bring selling pressure in international markets. India is the world's largest edible oil importer, and India imported 5.04 million tonnes for the year ending October from 4.4 million tonnes the previous year. India revised low base import prices of soybean and palm oil yesterday (\$1-4 per metric tonnes). India imported more Soybean oil and reduced palm oil import. However China has done just opposite of it.

BMD Crude Palm oil Futures Settle Mixed

Crude Palm oil futures at Bursa Malaysia Derivatives settled mixed on Thursday. Benchmark February future settled up MYR 2 at MYR 1417 per ton. Idea that market was overdone in recent sessions helped recovering futures late in the session. Narrowing discount with its traditional rival soy although has limited gains in palm oil prices. Weak fundamentals in soy in fact have caused bearishness in edible oil markets. United State has harvested more than 80 million ton this year. South America is also inclined to reap record soy crop in this season. However, weather therein is a crucial factor to look upon. In its own fundamentals, production of palm oil declines seasonally from November. Slacking demand for palm oil due to less competitive prices versus soy has offset the seasonal production factor.

BMD: CPO Futures (17.11.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1417	1416	1416	1403	1416	-1	774
Jan '06	1417	1414	1415	1402	1415	-2	1233
Feb '06	1415	1412	1417	1403	1417	+2	3131
Mar '06	1415	1414	1416	1403	1416	+1	181

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. However, small cut in tariff duty (\$1-4 per ton) by Indian government may bring negative impact on its prices. United State has harvested more than 80 million ton this year. South America is also inclined to reap record soy crop in this season. The above-mentioned factors are shows the bearishness in the market in future.

FOB prices of CPO (December) were last quoted at \$ 362.50 per tonne and RBD Palmolein at \$ 400 per tonne.

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

Centres	17.11.05	16.11.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	359	358	+1
Mumbai RBD Palmolein	372	372	0
Chennai RBD Palmolein	382	388	-6
Kakinada RBD Palmolein	381	382	-1

Soy oil

Soy oil prices at spot market remain declined. It is declining only because more production estimate of soybean and soy oil import is increased. Arrival of Soybeans in Madhya Pradesh, Maharashtra and Rajasthan were 3.00 lakh, 2.00 lakh and 2.50 lakh respectively. India imported edible oil at 5.42 million tonnes for the year ending October from 4.396 million tonnes the previous year. India revised low base import prices on crude soyoil i.e. to \$510/tonnes from \$513/tonnes. The above-mentioned factors may cause to decline of soy oil prices at spot market as well as soy future at NCDEX.

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 to marginally decline.

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

Centres	17.11.05	16.11.05	Change
Mumbai (Soy Ref oil)	362	362	0
Indore (Soy Ref oil)	341	343	-2
Indore (Solvent Ex. oil)+VAT	318	320	-2
Kota (Soy Ref. Oil)	348	350	-2
Jaipur (Soy Ref. Oil)	352	353	-1
Nagpur (Soy ref. Oil)	340	342	-2

NBOT Soy oil futures as on 17.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	349.60	347.80	348.30	348.30	346.40	-3.20	35540
Jan 05	353.90	351.30	352.40	352.40	350.70	-3.20	2110

NCDEX Soy oil futures as on 17.11.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Nov 05	343.65	342.00	342.40	338.15	339.40	4870	4480
Dec'05	350.30	349.20	349.30	346.25	347.00	9550	21870
Jan 06	354.70	354.00	354.00	349.75	350.80	6620	6250

Rape/Mustard oil

Domestic market of mustard oil prices range bound with weak sentiments. Sowing of mustard area is over in most of the producing states. Sowing acreage of mustard is

increased to 6 lakh hectare and production 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. Government of India revised lower import tariff duty on Palm oil and soybean oil (\$1-4 per tonne). The above-mentioned factors may bring negative impact on all edible oil prices in near future.

Spot Market Price (Rs. per 10 kg)

Centres	17.11.05	16.11.05	Change
Mumbai (Rape Expeller Oil)	385	390	-5
Kota (Rape Expeller Oil)	372	373	-1
Jaipur (Rape Expeller Oil)	375	377	-2
Delhi (Rape Expeller Oil)	390	393	-3
Neewai (Kacchi Ghani Rape Oil)	385	386	-1

Groundnut oil

Groundnut oil prices at domestic market remain declined due to harvesting in some parts of Andhra state is started and 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. Harvesting of groundnut is done approximately 70-80% in Gujarat. Arrivals of groundnut in the Gujarat is slightly declined at 1.5 - 1.75 lakh ton.

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

Centres	17.11.05	16.11.05	Change
Mumbai	452	462	-10
Rajkot	445	447	-2
Andhra Region	475	480	-5
Chennai	455	465	-10

LATEST WEATHER WATCH (17.11.2005)

Clear skies and dry weather is cross over producing states.

Heavy rainfall warning

Isolated heavy rainfall likely over coastal Tamil Nadu from 19th.

PORT-WATCH (Latest) :

Mundra Port is loading 6,300 MT of SBO on the vessel 'Siam Bhavas'. Taurus agents is handling the vessel. The 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.

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'.

'Shimakaze' from Malaysia is expected at Kandla Port to deliver 8,500 MT of CPO. The vessel will be handled by Interocean agents.

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' is expected at New Mangalore Port to discharge 4,449 MT of CPO. SBM agents will be handling the vessel.

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 expecting '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	Belica	2000	Palm Oil	Arrived
	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
Kolkata	Vernal Grace	6000	CPO	Arrived
	Spring Wind	6000	CPO	Arrived
Kandla	Pacific Sound	10900	Palm Oil	Arrived
	Shimakaze	8500	CPO	Expected
Mangalore	Hua Yun 5	4449	CPO	Expected
JNPT	Laertis	10000	SBO	Expected
Cochin	Hua Yun 5	4000	Palm Oil	Expected

Forex Rates

(As on 17.11.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.77
European Union	Euro	53.43
United Kingdom	Pound Sterling	78.61
Japan	100 Yen	38.49
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.