

VEGOIL

December 09, 2005

MAJOR ACTIVITY HIGHLIGHTS

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

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD is moving downwards below signal line and has deviated sharply from it, which is indicating medium term bearish sentiments.
2. %K line has turned flat and about to make bullish crossover with the %D line in the oversold region, which indicates possible trend reversal is near.
3. Close far below 9 days and 18 days EMA, which shows bearish market sentiments.
4. Candlesticks have formed Hammer pattern suggesting possible reversal in the recent down trend.

Market Advice: The medium term outlook is still bearish but short-term bounce back in the price is expected. One can take long position near closing price.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	338.60	337.10	340.90	341.90

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 Mixed

Soy future settled mixed at Chicago Board of Trade on Thursday. January soybean settled up 7.75 cents at \$5.675 per bushels, 1.25 cents off the high and 9.75 cents up from the low and March soybeans settled higher 8 cents at \$5.755 per bushel, 9.5 cents up from low and 0.5 cents off the high. March Soymeal finished up \$ 5.2 at \$ 179.6/MT, \$ 4.9 up from the low and \$ 0.2 off the high. March Soybean Oil settled low 0.02 cents at 21.54 cents/pounds, 0.21 cents off the high and 0.15 cents up from the low. Weekly export sales of US Department of Agriculture revealed for soybean export sales at 952,100 metric ton, it is much higher than trade expectations range 400,000-600,000 metric ton. Sales of Soy meal was at 272400 MT as compared to trade expectations range 75,000-125,000, it was also much more than expectations. Net sale of Soybean oil was put at 14,500 ton against 0-10,000 ton. However, friendly export figure could not help driving futures much higher. Weather is ideal for fieldwork in South America. Traders played cautiously ahead of monthly crop report to be released by US Department of Agriculture. Traders are expecting likely increase in soy stock and downward revision of export sale in 2005-06.

CBOT Soy oil futures as 08.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	21.00	21.10	21.10	20.85	20.97	-0.03
Jan'06	21.19	21.35	21.40	21.04	21.22	+0.03
Mar'06	21.56	21.70	21.75	21.39	21.54	-0.02
May'06	21.87	22.05	22.08	21.75	21.84	-0.03
Jul'06	22.16	22.35	22.35	22.05	22.14	-0.02
Aug'06	22.27	22.23	22.32	22.19	22.27	0.00
Sep'06	22.35	22.70	22.70	22.33	22.39	+0.04
Oct'06	22.50	22.70	22.70	22.45	22.48	-0.02

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Down

South American soybeans settled down on the session yesterday. March South American soybean settled down 5.5 cents on Thursday at \$ 5.985 per bushel. The surge in USDA export sales figure might be helpful to an increase South American soybean demands in future. However, traders' expectations were bearish sentiments from recent weekly export sales report. There is decent weather for soybean crop in South America due to recent rain. Traders are still waiting the monthly report of USDA, which is scheduled to release today. For the USDA Supply/Demand report on Friday, traders expectations for ending stocks to come at 392 million bushels as compared with 350 million estimated in the November report. Oil was under pressure from a surprisingly bearish report from Statistics Canada, where canola production was pegged at 9.66 million tonnes

as compared with trade expectations at 8.7 to 9.1 million tonnes. Weekly US export sales for soybeans came at 952,100 tonnes for current crop and 120,000 for new crop for a total of 1.072,100, which was well above the upper end of trade expectations and compared with 370,800 tonnes last week. Meal sales came at 272,400 tonnes for current crop and 300 tonnes for new crop for a total of 272,700, also above expectations. Bean oil sales came at 14,500 tonnes, which was well above expectations.

CPO Futures at BMD Settle Slightly Higher

Crude Palm oil futures at Bursa Malaysia Derivatives settled marginally higher on Friday. Futures moved either side of unchanged levels lacking fresh fundamental news. Benchmark February future settled up MYR1 at MYR1411 per ton. Probably it was expectations of friendly export data that helped futures to close in positive territory. Traders are expecting improvement in its demand from overseas markets, which could be reflected from the forthcoming export data. Cargo Surveyor, SGS will be releasing its estimates for Malaysian Palm oil export for December 1-10 on Tuesday. Traders are expecting MPO export for first 10 days of December at 3.5 lakh ton versus 2.85 lakh ton exported during the corresponding period last month.

BMD: CPO Futures (09.12.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1396	1396	1399	1393	1399	+3	294
Jan '06	1408	1408	1412	1403	1409	+1	734
Feb '06	1410	1408	1414	1404	1411	+1	2372
Mar '06	1411	1411	1415	1405	1413	+2	1093
Apr '06	1412	1408	1415	1408	1415	+3	40

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were lacklustre. Traders are waiting for production and stock data by Malaysian Palm Oil Board (MPOB), it is going to release in next week. Department of Agriculture (USDA) will release its monthly Soybean report on today. Traders are waiting these reports eagerly. Market sentiments are expected to bearish.

FOB prices of CPO (December) were last quoted at \$ 355 per tonne and RBD Palmolein at \$ 390 per tonne.

Palm oil - Spot Market Price

(Rs. per 10 kg]

Centres	09.12.05	08.12.05	Change
Kandla CPO (5 % FFA)	337	338	-1
Kandla RBD Palmolein	359	359	0
Mumbai RBD Palmolein	373	373	0
Chennai RBD Palmolein	375	375	0
Kakinada RBD Palmolein	374	374	0

Soy oil

Domestic spot market prices of soy oil are continued declined. Arrivals of soybeans remained slightly declined today in major markets as compared to yesterday. Total arrivals of soybeans were 1,00,000, 50,000 and 60,000-65,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 6000-6500 bags only. December soy oil prices were settled down in NCDEX and NBOT. December palm oil futures prices settled slightly up on KLCE. CBOT December soy oil futures were settled mixed on Thursday. The above-mentioned factor shows the bearish market sentiments.

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 \$ 503per tonne.

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

Centres	09.12.05	08.12.05	Change
Mumbai (Soy Ref oil)	359	359	0
Indore (Soy Ref oil)	337	339	-2
Indore (Solvent Ex. oil)+VAT	313	314	-1
Kota (Soy Ref. Oil)	342	343	-1
Jaipur (Soy Ref. Oil)	344	345	-1
Nagpur (Soy ref. Oil)	341	341	0

Rape/Mustard oil

Domestic market prices of mustard oil range bound with weak sentiments amidst low buying demand at retail ends in most of the markets. Mustard seed rate were Rs1430-50/Qtl, Rs 1710/Qtl, Rs.1530/ Qtl in Kota Jaipur and Shri ganganagar respectively. Market sentiments of mustard oil prices are expected to move range bound with weak sentiments.

Mustard Oil: Spot Market Price (Rs. per 10 kg)

Centres	09.12.05	08.12.05	Change
Mumbai (Rape Expeller Oil)	376	380	-4
Kota (Rape Expeller Oil)	355	355	0
Jaipur (Rape Expeller Oil)	358	360	-2
Delhi (Rape Expeller Oil)	380	382	-2
Neewai (Kacchi Ghani Rape Oil)	371	372	-1

Groundnut oil

Domestic market prices of Groundnut oil range bound with weak sentiments amidst low buying demand at retail ends in most of the markets. GN oil prices should decline due to harvesting pressure of new crop in Andhra and Tamil Nadu. However, GN oil prices in Andhra Pradesh and Chennai are stable, despite good arrival of Groundnut only due to fear of cyclone "FANOOS". Arrivals of groundnut in Gujarat were continued at 1.35 - 1.40 lakh bags (1 bag=35 kg).

Harvesting of groundnut is started in Andhra and Chennai. GN oil prices are expected to move range bound with weak sentiments.

Groundnut Oil: Spot Market Price (Rs. per 10 kg)

Centres	09.12.05	08.12.05	Change
Mumbai	451	450	+1
Rajkot	452	456	-4
Andhra Region	450	450	0
Chennai	445	445	0

Sunflower Oil

Spot market prices of Sunflower oil range bound. Major producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. CIF prices for sunflower oil at Kandla port were US \$ 568/ton. Sunflower oil prices are expected to move range bound.

Sunflower Refine Oil : Spot Market prices (Rs/10 Kg)

Markets	09.12.05	08.12.05	Change
Mumbai	441	440	+1
Chennai	477	477	0

NBOT Soy oil futures as on 09.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	338.90	338.20	338.40	336.50	338.10	-0.80	9420
Jan '06	346.80	346.40	346.50	343.80	345.50	-1.30	23350

NCDEX Soy oil futures as on 09.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	340.65	340.20	340.40	338.00	339.90	2470	13310
Jan 06	347.50	347.30	347.70	344.50	346.25	6200	15410

LATEST WEATHER WATCH (09.12.2005)

Forecast valid for next 72 hours

NORTH: Isolated rain/snow likely over Jammu & Kashmir and Himachal Pradesh. Mainly dry weather is likely over the rest region.

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers likely at most places over Coastal Tamil Nadu & Pondicherry and south coastal Andhra Pradesh; at many places over Rayalaseema and Interior Tamilnadu and at a few places over Andaman & Nicobar Islands during next 36 hours. Moderate rainfall activity also likely to commence over Kerala, south Interior Karnataka and Lakshadweep from tomorrow morning. Mainly dry weather in the rest region.

WEST: Mainly dry weather over the region.

Warning

1. Heavy to very heavy falls are likely at a few places over Coastal Tamil Nadu & Pondicherry and south Coastal Andhra Pradesh during next 36 hours. Isolated heavy falls also likely over interior Tamilnadu and Rayalaseema during the same period.

2. Gale with wind speed reaching 60-70 kmph are likely to commence by tonight along and off north Tamilnadu coast. Squally winds speed reaching 50-60 kmph also likely to commence by tonight along and off south Tamilnadu and south Andhra Pradesh coasts. State of sea will be very rough to high as along and off north Tamilnadu and rough to very rough along and off south Tamilnadu and south Andhra Pradesh coasts. Fishermen along the above coasts are advised not to venture into the sea.

Source: IMD, GOI

PORT-WATCH (Latest):

'MMM Houston' is continuing the delivery of 3,500 MT of palm oil at Chennai Port. JM Baxi agents is handling the vessel. 'MMM Jackson' has berthed at Chennai Port and continues to deliver 5,900 MT of palm oil. Seaport agents is handling the vessel. Delivery of 15,250 MT of SBO is expected at the port from the vessel 'Montana Star'. The vessel will be handled by JM Baxi agents.

'Spring Glory' has berthed at Tuticorin Port and continues to discharge 7,000 MT of palm oil. St.John agents is handling the vessel.

Delivery of 6,500 MT of CPO each is expected at New Mangalore Port from the vessels 'Bumik' and 'L Star' shortly. Interocean and Seaworld agents will be handling the vessels respectively.

'Siam Pavinee' is expected at Mundra Port to load 3,500 MT of palm oil. Atlantic agents will be handling the vessel.

Mumbai Port is expecting 'Isokaze' to deliver 3,500 MT of palm oil. The vessel will be handled by Interocean agents.

'Thressa II' from Indonesia is expected at Kandla Port to deliver 3,980 MT of CPO. The vessel will be handled by Taurus agents.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Thressa II	3980	CPO	Expected
Chennai	Montana Star	15250	SBO	Expected
	MMM Houston	3500	Palm Oil	Arrived
	MMM Jackson	5900	Palm Oil	Arrived
Mumbai	Iso kaze	3500	Palm Oil	Expected
Mundra	Siam Pavinee	3500	Palm Oil	Expected
Tuticorin	Spring Glory	7000	Palm Oil	Arrived
New Manglore	Bumik	6500	CPO	Expected
	L Star	6500	CPO	Expected

Forex Rates

(As on 09.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.22
European Union	Euro	54.56
United Kingdom	Pound Sterling	80.91
Japan	100 Yen	38.33
Malaysia	Ringgit	12.26

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