

VEGOIL

December 02, 2005

MAJOR ACTIVITY HIGHLIGHTS

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

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD returned after making bearish crossover with its signal line and is pointing upward, which negates the bearish trend.
2. %K line is crossed %D line from below in Oversold region which indicates possibility of trend reversal.
3. Close below 9 days EMA and 18 days EMA shows bearish market sentiments.

Market Advice: The market is in indecisive position, and is expected to remain range bound with some bullish touch.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	348.00	347.00	350.10	351.00

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 Higher

Soy futures at Chicago Board of Trade settled higher on technical rebounds. January soybean future settled up 1.75 cents at \$5.5975 and March up 1.75 at \$5.68 per bushel. March soymeal future settled up \$0.4 at \$173.9 per short ton and March soyoil up 2 points at 21.66 cents per pound. Export numbers rolled up as per the earlier expectations. The US Department of Agriculture estimated the weekly export sale of US soybean at 3.70 lakh ton against earlier expectations of 3.0-6.5 lakh ton. Export sale of Meal was also near the lower end of expectations. USDA estimated the soymeal export for the week ended November 24 at 76,400 ton against earlier expectations of 75000-150,000 ton. Export of soyoil was estimated at 3,400 ton against the expectations of 5,000-15,000 ton. However, regular fowl stories from Asia put cap on upward movements. Ideal weather situation in South America also weighed on values.

CBOT Soy oil futures as 01.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	21.05	20.97	21.12	20.84	21.04	-0.01
Jan'06	21.29	21.20	21.40	21.09	21.27	-0.02
Mar'06	21.64	21.58	21.69	21.39	21.66	+0.02
May'06	21.93	21.85	21.98	21.72	21.96	+0.03
Jul'06	22.16	22.10	22.28	22.02	22.25	+0.09
Aug'06	22.25	22.30	22.37	22.18	22.37	+0.12

CBOT remains closed on Saturday and Sunday.

South American Soybean Settles Higher

South American soybean settled higher notwithstanding downtrend in soy futures at Chicago Board of Trade. March South American soybean settled 3.5 cents higher at \$5.97 per bushel. Traders are expecting fresh inquiries from major soybean importing nations. Weather so far has not been perfectly conducive for the crop. In many areas, rains are below normal levels. Usage of inputs like fertilizers and other supplements has not been optimum this year due to lack of funding. So, crop has become highly vulnerable to weather disturbances. Immediate bearish factors are slowed demand from Asian nations and improving weather situation in South American nations, which have helped limiting gains.

BMD Crude Palm oil Futures Settle Higher

Crude Palm oil futures at Bursa Malaysia Derivatives settled higher in tandem with gains in soy futures at Chicago Board of Trade. Benchmark February future settled up MYR10 at MYR1397 per ton. Market in fact had no clear direction to move on either side. Fundamentals in

fact in palm oil markets are fairly against bulls. Stock of Malaysian palm oil is feared to have crossed lifetime high of 1.54 million ton. Traders believe that stock of palm oil could reach to 1.60 million ton by end of November. Overnight firm closing of soy futures to some extent were responsible for strength at BMD. Since majority traders at weekend were in no mood to take chance and opted to go long despite weak fundamentals.

BMD: CPO Futures (02.12.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1384	1382	1396	1381	1392	+8	248
Jan '06	1386	1387	1399	1382	1395	+9	461
Feb '06	1387	1386	1400	1382	1397	+10	2805
Mar '06	1388	1390	1400	1383	1398	+10	375
Apr '06	1389	1384	1384	1383	1383	-6	15

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were remains lacklustre. Malaysian Palm oil export during November 2005 totaled at 1.03 million ton, down against 1.24 million ton of export in October 2005, it is down by 16.78 per cent. India imported 37,250 metric ton in November 2005 as compared to 44,753 metric ton of October 2005. FOB prices of CPO (December) are also declined. Palm oil prices are expected range bound.

FOB prices of CPO (December) were last quoted at \$ 350 per tonne and RBD Palmolein at \$ 387.50 per tonne.

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

Centres	02.12.05	01.12.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	359	360	-1
Mumbai RBD Palmolein	375	374	+1
Chennai RBD Palmolein	375	375	0
Kakinada RBD Palmolein	375	375	0

Soy oil

Domestic spot markets of soy oil prices range bound with positive market sentiments. Arrival of soybean oil is marginally declined today and buying demand of soy oil is slightly increased at the retail end. Total arrivals of soybeans were 1.25 -1.50 lakh, 1.00 lakh and 1.00 lakh bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandies were 7000-8000 bags only. Export of soyoil was estimated at 3,400 ton against the expectations of 5,000-15,000 ton. Soy oil prices at domestic market expected range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 333 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 505 per tonne.

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

Centres	02.12.05	01.12.05	Change
Mumbai (Soy Ref oil)	362	363	-1
Indore (Soy Ref oil)	344	344	0
Indore (Solvent Ex. oil)+VAT	317	317	0
Kota (Soy Ref. Oil)	350	348	+2
Jaipur (Soy Ref. Oil)	355	352	+3
Nagpur (Soy ref. Oil)	344	343	+1

Rape/Mustard oil

Domestic market sentiments of mustard oil marginally declined in most of the markets amidst low buying demands at retail ends. Mustard seed prices are marginally declined due to huge stock of mustard seeds with NAFED and private stockist. Sowing acreage of mustard is increased as compared to last two years. Consumers are shifting towards soy oil and palm oil from mustard oil only because these oil are cheaper than mustard oil. There is news of mixing rice bran oil in mustard oil may be another cause to declining demand of mustard oil. Market sentiments of mustard oil prices are expected to weak due to above-mentioned factors.

Spot Market Price (Rs. per 10 kg)

Centres	02.12.05	01.12.05	Change
Mumbai (Rape Expeller Oil)	383	382	+1
Kota (Rape Expeller Oil)	368	372	-4
Jaipur (Rape Expeller Oil)	372	377	-3
Delhi (Rape Expeller Oil)	372	375	-3
Neewai (Kacchi Ghani Rape Oil)	376	377	-1

Groundnut oil

Domestic spot markets prices of groundnut oil were mixed. The GN oil prices increased sharply in Chennai market due to heavy rainfall in Chennai. There is bit improvement in GN Oil prices in Andhra region in an apprehension of "BAAZ" cyclone; heavy rain and cloudy weather would bring negative impact on harvesting of groundnut and arrivals of the same. Arrivals of groundnut in Gujarat were remains at 1.40 lakh bags (1 bag=35 kg). Market sentiments of Chennai and Andhra region is expected to improve due to "BAAZ" cyclone.

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

Centres	02.12.05	01.12.05	Change
Mumbai	457	457	0
Rajkot	460	462	-2
Andhra Region	460	455	+5
Chennai	450	440	+10

NBOT Soy oil futures as on 02.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	347.6	347.5	348	346.7	346.7	-0.9	12070
Jan '06	354.2	354.5	355	353.8	353.8	-0.4	7750

NCDEX Soy oil futures as on 02.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	349.10	349.00	349.50	348.00	348.30	1990	18410
Jan 06	355.25	354.70	355.70	354.30	354.50	2080	12110

LATEST WEATHER WATCH (02.12.2005)

Forecast valid for next 72 hours

NORTH: Mainly dry weather is likely over the region.

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers likely at many places over north Tamil Nadu, Coastal Andhra Pradesh, Rayalaseema and Andaman & Nicobar Islands at a few places over South Interior Karnataka, south Tamil Nadu, Kerala and Lakshadweep and isolated over the rest region.

WEST: Isolated Rain/thundershowers likely over Konkan & Goa. Mainly dry weather over the rest region.

Warning

1. Isolated heavy rainfall likely over Andaman & Nicobar Islands, north Tamil Nadu & Pondicherry and Coastal Andhra Pradesh.

2. Strong winds with speed reaching 50-60 kmph likely along & off north Tamil Nadu and south Andhra Pradesh coasts from today evening. State of sea will be rough to very high. Fishermen are advised not to venture into the sea along the above coasts.

Source: IMD, GOI

Forex Rates (As on 02.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.12
European Union	Euro	54.08
United Kingdom	Pound Sterling	79.79
Japan	100 Yen	38.25
Malaysia	Ringgit	12.12

PORT-WATCH (Latest):

Edible Oil

Delivery of 8,480 MT of CPO is continuing at Kandla Port from the vessel 'West Gold'. The cargo was carried from Indonesia. Interocean agents is handling the vessel. 'Olympic' from Belawan is expected at the port to deliver 7,500 MT of CPO. Interocean agents will be handling the vessel. 'Jian She 35' from Malaysia is expected at Kandla Port to deliver 6,000 MT of CPO. The vessel is being handled by Taurus agents.

Kolkatta Port is receiving 4,500 MT of CPO from the vessel 'Team Ace'. The vessel is being handled by Atlantic agents. Delivery of 10,000 MT of SBO is continuing at Kolkata Port from the vessel 'Gulf Dove'. PBSA agents is handling the vessel.

Kakkinada Port is expecting 'Ace I' and 'Istana VI' to deliver 6,000 MT and 5,000 MT of CPO respectively. 'Vernal Grace' delivered 6,000 MT of CPO at the port and sailed off.

'Tirta Niaga 2' and 'Monor Jackson' are expected at Chennai Port to deliver 2,780 MT and 6,000 MT of palm oil respectively. Interocean and Seaport agents will be handling these vessels.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kakkinada	Vernal Grace	6000	CPO	Arrived
	Ace 1	6000	CPO	Expected
	Istana VI	5000	CPO	Expected
Kolkata	Team Ace	4500	CPO	Arrived
	Gulf Dove	10000	SBO	Arrived
Kandla	West Gold	8480	CPO	Arrived
	Olympic	7500	CPO	Expected
	Jian She 35	6000	CPO	Expected
Chennai	Tirta Niaga 2	2780	Palm Oil	Expected
	Monor Jackson	6000	Palm Oil	Expected

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