

VEGOIL

December 17, 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Mixed
- NCDEX January Soy Oil Settle slightly Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD has turned upward and about to make bullish crossover with its signal line.
2. %K line is moving downwards crossing over %D line from above in neutral region, which indicates bearish market sentiments.
3. Close far below 9 days and 18 days EMA indicates medium term bearish trend.

Market Advice: The market is still in indecisive state, however there is possibility of trend reversal. Risk averse investors can take long position with caution.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	345.40	344.00	348.00	349.20

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 futures at Chicago Board of Trade settled mixed on Friday. January soybean future settled up 5 cents at \$5.922 and March up 4.5 cents at \$6.025 per bushel. March soymeal future settled \$2.8 higher at \$191.7 per short ton and March soyoil off 13 points at 21.56 cents per pound. Weather forecasts calling for dry weather in South America triggered speculative buying. Other bullish factors were fund buying and firm cash basis helped limiting downside move due to fowl stories from Asia. Much hyped stories of bird flu has dampened the perspectives of soy markets in Asian countries. Export of soy from United State has been slowed for this very reason.

CBOT Soy oil futures as 16.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	21.40	21.51	21.73	21.25	21.30	-0.10
Mar '06	21.69	21.90	22.07	21.52	21.56	-0.13
May '06	22.00	22.10	22.35	21.87	21.87	-0.13
Jul '06	22.31	22.47	22.65	22.20	22.20	-0.11
Aug '06	22.43	22.70	22.70	22.32	22.32	-0.11
Sep '06	22.53	22.65	22.65	22.42	22.42	-0.11
Oct '06	22.60	22.90	23.00	22.55	22.55	-0.05
Dec '06	22.87	23.15	23.25	22.75	22.78	-0.09

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Ends Lower

South American soybean futures settled lower on speculative selling. March South American soybean settled off 10 cents at \$6.28 per bushel. Talks of fresh buying interest of China in South American soy have helped limiting the downward movements. There were unofficial reports that China had booked 5-6 cargos of Argentine soybean this week. In news, Brazilian Geographic and Statistics Institute released its estimates for soybean production in Brazil pegging Brazilian soybean crop this year at 58.4 million ton, up against its estimates for last year at 51.1 million ton.

BMD: remains closed on Saturday and Sunday

BMD: CPO Futures (16.12.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan '06	1386	1387	1390	1382	1390	+4	308
Feb '06	1395	1398	1398	1390	1396	+1	882
Mar '06	1400	1399	1403	1394	1401	+1	1136
Apr '06	1402	1402	1404	1400	1403	+1	99
May '06	1406	N.A	N.A	N.A	N.A	0	N.A

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were likely unchanged. Palm oil prices were likely unchanged in most of the markets. There is low buying demand of palm oil because the availability of soybean oil at low prices in the market and good arrival of soybean in mandies. There was no news to push the market sentiments. Market sentiments are expected to move range bound.

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

Centres	17.12.05	16.12.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	370	371	+1
Chennai RBD Palmolein (Ruchi)	375	375	0
Chennai RBD Palmolein (MRaja)	380	380	0
Kakinada RBD Palmolein	372	374	-2

Soy oil

Domestic spot market prices of soy oil range bound with positive sentiments. Arrivals of soybean slightly declined in Madhya Pradesh. Total arrivals of soybeans were 1,25,000, 50,000 and 60,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 10000 bags only. January soy oil prices were settled slightly up in NCDEX and NBOT. Market sentiments are expected to move range bound.

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 \$ 495 per tonne.

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

Centres	17.12.05	16.12.05	Change
Mumbai (Soy Ref oil)	358	358	0
Indore (Soy Ref oil)	339	339	0
Indore (Solvent Ex. oil)+VAT	315	315	0
Kota (Soy Ref. Oil)	346	345	+1
Jaipur (Soy Ref. Oil)	350	348	+2
Nagpur (Soy ref. Oil)	344	342	+2

Rape/Mustard oil

Domestic market prices of mustard oil range were lacklustre. Mustard oil prices were lacklustre because the low market sentiments of soyoil and palm oil. There is direct relationship of mustard oil and soybean oil. News that traders are mixing soy oil and rice bran oil in mustard oil only because these are cheaper than mustard oil. Spot market prices at Kota and Jaipur were quoted Rs 1480-1500/qlt and Rs 1690/qlt respectively. Arrivals of mustard seed were 600-800 bags at Neewai market. There were talks that NAFED is planning to hire 30 mustard oil expellers in Rajasthan from January. 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	17.12.05	16.12.05	Change
Mumbai (Rape Expeller Oil)	369	370	-1
Kota (Rape Expeller Oil)	355	355	0
Jaipur (Rape Expeller Oil)	359	359	0
Delhi (Rape Expeller Oil)	380	380	0
Neewai (Kacchi Ghani Rape Oil)	371	370	+1

Groundnut oil

Domestic market prices of groundnut oil were likely unchanged in most of the markets. There were low buying demands of GN oil at retail ends in most of the markets. Arrivals of groundnut in Gujarat were at 1.00 -1.20-lakh bags (1 bag=35 kg). There are good arrivals of groundnut in Andhra and Chennai market. GN oil prices are expected to move range bound with weak sentiments in most of the markets.

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

Centres	17.12.05	16.12.05	Change
Mumbai	442	443	-1
Rajkot	447	447	0
Andhra Region	445	445	0
Chennai	445	445	0

Sunflower Oil

Spot market prices of Sunflower oil is slightly increased in Chennai market only due to increasing buying demand of sunflower oil. Major producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. CIF prices for sunflower oil at Kandla port were US \$ 571/ton. Sunflower oil prices are expected to move range bound.

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

Markets	17.12.05	16.12.05	Change
Mumbai	431	432	-1
Chennai	480	473	+7

NBOT Soy oil futures as on 17.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	345.80	345.00	347.20	345.00	346.30	+0.50	23570
Feb'06	349.40	349.00	351.20	348.90	350.30	+0.90	1800

NCDEX Soy oil futures as on 17.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec 05	340.00	339.60	342.00	339.60	341.50	1330	7000
Jan 06	346.50	345.60	348.50	345.50	347.30	2630	16270
Feb'06	350.30	350.00	352.05	350.00	351.00	1810	9980

LATEST WEATHER WATCH (17.12.2005)

Forecast valid for next 72 hours

NORTH: Mainly dry weather over the region.

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers likely at many places over Tamil Nadu & Pondicherry; at a few places over Nicobar Islands and isolated over Coastal Andhra Pradesh, Rayalaseema, Kerala and Lakshadweep. Weather will be mainly dry over the rest region.

WEST: Mainly dry weather over the region.

Warning

Isolated heavy fall is likely along Tamilnadu coast during next 48 hours. Strong winds with speed reaching 50-60 kmph also likely along and off Tamilnadu coast during the same period. State of sea will be rough to very rough along and off Tamilnadu coast.

Outlook for subsequent two days:

Gradual improvement in weather over Tamil Nadu.

Source: IMD, GOI

PORT-WATCH (Latest):

Delivery of 16,450 MT of SFO is continuing at Chennai Port from the vessel 'Montana Sun'. The vessel is being handled by JM Baxi agents.

'Bum Mi' has berthed at Mumbai Port and continues to deliver 4,103 MT of palm oil. Interocean agents is handling the vessel. Mumbai Port is expecting 'Nolowati' to deliver 10,000 MT of palm oil. The vessel will be handled by JM Baxi agents.

'Vernal Grace' from Belawan is expected at Kandla Port to deliver 6,000 MT of palm oil. GAC agents will be handling the vessel. 'Thressa II' from Indonesia delivered 3,980 MT of CPO at Kandla Port and sailed off. The vessel was handled by Taurus agents.

Delivery of 2,500 MT of palm oil is expected at Cochin Port from the vessel 'Siam Pavinee'. Atlantic agents will be handling the vessel.

Mourmgoa Port is expecting 'Isokaze' to deliver 3,000 MT of palm oil. The vessel will be handled by Interocean agents.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Thressa II	3980	CPO	Arrived
	Vernal Grace	6000	Palm Oil	Expected
Chennai	Montana Sun	16450	SFO	Arrived
Mumbai	Bumik	4103	Palm Oil	Arrived
	Nolowati	10000	Palm Oil	Expected
Cochin	Siam Pavinee	2500	Palm Oil	Expected
Mouramgoa	Isokaze	3000	Palm Oil	Expected

Forex Rates (As on 17.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.25
European Union	Euro	54.36
United Kingdom	Pound Sterling	80.21
Japan	100 Yen	39.12
Malaysia	Ringgit	11.97

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