

VEGOIL

December 28, 2005

MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Oil Settle Down
- CBOT Soy Oil Futures Settle Lower
- BMD CPO Futures Settle Down

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD is moving downwards crossed its signal line from above, indicating bearish sentiments.
2. Stochastic has turned upwards and crossed its signal line from below in negative territory, which indicates bullish sentiments.
3. Close far below 5 days and 7 days EMA indicates bearish trend.
4. Candlesticks formed hammer pattern, which indicates trend reversal.

Technical indicator hinting trend reversal.

Market Advice: Market is in over sold territory and hinting trend reversal. Go long near 342, target near=344.00, Stop loss=341.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	342.80	340.30	345.60	346.60

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 Oil Futures Settle Lower

Soy oil future settled lower at Chicago Board of Trade on Tuesday. March soybeans settled lower 1.25 cents at \$ 6.2375 per bushel, 8.25 cents off the high and 9.75 up from the low. May soybeans settled down 1 cent at \$ 6.3325 per bushels, 9.25 cents up from the low and 7.25 cents off the high. March Soymeal settled slightly higher \$ 0.1 at \$ 203.5 per ton, \$ 4.4 up from the low and \$ 1.0 off the high. March Soybean Oil settled lower 0.33 cents at 21.28 cents/pounds, 0.37 cents off the high and 0.07 cents up from the low. There is still dry weather in some part of Argentina and Southern Brazil; rain is required for good production. Soymeal future prices are high only due to increasing feed demands on export front. Traders are crushing soybeans for the fulfilling the export demands of Soymeal at better prices; ultimately stock of Soyoil is increasing. Increasing oil stock would bring negative impact on its prices. India exported 36000 metric tonnes of Soymeal to China during this week. Weekly export inspections revealed at 21.53 million bushels as compared with trade expectations at 18-26 million.

CBOT Soy oil futures as 27.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	21.28	21.20	21.30	20.86	20.98	-0.30
Mar 06	21.61	21.45	21.65	21.21	21.28	-0.33
May'06	21.98	21.90	21.90	21.57	21.59	-0.39
Jul '06	22.31	22.31	22.31	21.90	21.91	-0.40
Aug'06	22.45	22.30	22.30	22.07	22.07	-0.38
Sep'06	22.53	22.45	22.45	22.20	22.20	-0.33
Oct '06	22.75	22.60	22.60	22.40	22.40	-0.35
Dec'06	23.00	22.85	22.85	22.55	22.57	-0.43

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Lower

South American soybean settled lower on Tuesday. March South American soybeans settled off 2 cents at \$ 6.49 per bushels. Continued concern over dry weather in Argentina and Southern Brazil helped checking decline in futures. Good rains are badly needed in Southern Brazil for the improvement in crop conditions. Scattered showers at weekend helped easing weather concern to some extent. Latest weather forecast, however, has called for more rains in Southern Brazil, but nothing seems appeasing for Argentina. In news, China is sourcing its Soymeal requirement from India. Proximity and premium quality of Indian produce are the factors providing edge to Indian exporters.

Crude Palm oil Futures at BMD Continue Southward

Crude Palm oil futures at Bursa Malaysia Derivatives kept moving downward on bearish set of fundamentals. Benchmark March future settled off MYR4 at MYR1411 per

ton. Market in fact had nothing pushy to recover from the earlier set bearish mode. Traders doubt that production of MPO might not decline in December contrary to its traditional production cycle. End-stock of palm oil was record low in November. Export of palm oil has not been very encouraging so far. Further, there has not been any fresh fundamental push from the American continent. Gloomy perspective of soy also kept weighing on palm oil futures.

BMD: CPO Futures (28.12.2005)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1402	1400	1402	1396	1396	-6	270
Feb 06	1412	1411	1412	1405	1407	-5	134
Mar 06	1415	1411	1417	1409	1411	-4	826
Apr 06	1418	1414	1419	1412	1412	-6	238
May 06	1423	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 market were range bound with weak sentiments. There is huge availability of other edible oils in the market at low prices like soy oil and cotton oil. Imports of edible oil were good during this month. There was no fresh news to boost up the market sentiments. Rabi oilseeds sowing acreage is increased, it is added bearish tone in edible oil. Market sentiments are expected to move range bound.

FOB prices of CPO (January) were last quoted at \$ 355 per tonne and RBD Palmolein at \$ 392.50 per tonne.

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

Centres	28.12.05	27.12.05	Change
Kandla CPO (5 % FFA)	334	335	-1
Kandla RBD Palmolein	359	360	-1
Mumbai RBD Palmolein	371	371	0
Chennai RBD Palmolein	374	375	-1
Kakinada RBD Palmolein	369	370	-1
Hyderabad RBD Palmolein	378	380	-2

Soy oil

Today domestic soy oil prices remain weak in most of the markets amidst low demand at retail ends. January Soyoil prices settled low on NCDEX and NBOT. However, it is slightly improved at the end of session. KLCE future prices are settled down. Total arrivals of soybeans were 80,000-85,000, 35,000-40,000 and 30,000-35,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandis were 8,000 bags only. Soy oil prices are expected to improve.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 328 per 10 kg. CNF prices for soy degum (January Shipment) at Kandla were quoted at \$ 478 per tonne.

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

Centres	28.12.05	27.12.05	Change
Mumbai (Soy Ref oil)+VAT	342	344	-2
Indore (Soy Ref oil)	340	342	-2
Indore (Solvent Ex. Oil)+VAT	313	316	-3
Kota (Soy Ref. Oil)	350	350	0
Jaipur (Soy Ref. Oil)	353	352	+1
Nagpur (Soy ref. Oil)	342	344	-2
Chennai (Soy Ref Oil)	359	359	0
Hyderabad (Soy Ref)	364	364	0
Rajkot (Soy Ref)	340	-	-

Rape/Mustard oil

Domestic market prices of mustard oil were lacklustre. Arrivals of mustard seeds were remain about 400-500 bags in Neewai market. Mustard seeds prices were quoted in range of Rs 1510-1530 and 1705-1715 in Kota and Jaipur Mandi respectively. NAFED is planning to stop sell of mustard seeds from mid of January. NAFED already hired two mills in Haryana for crushing of mustards/rapeseeds. NAFED is paying Rs 1325/ton for crushing of mustard seeds. NAFED is decided to sale at Rs.38/kg of mustard oil. There is news that Rajasthan Government is requested to NAFED regarding for procurement of 15-20 lakh tonnes of mustard seeds in this season. Harvesting of New crop of mustard is expected from mid of January. Market sentiments are expected to range bound.

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

Centres	28.12.05	27.12.05	Change
Mumbai (Rape Expeller Oil)	368	370	-2
Kota (Rape Expeller Oil)	360	360	0
Jaipur (Rape Expeller Oil)	362	362	0
Delhi (Rape Expeller Oil)	383	382	+1
Neewai (Kachchi Ghani Rape Oil)	371	372	-1
Kota (Kachchi Ghani Rape oil)	380	380	0

Groundnut oil

Domestic market prices of groundnut oil in Gujarat is slightly declined to Rs 453 per 10 Kg from Rs 460 as compared to day before yesterday due to low demands at retail ends and huge availability of other oil at low prices in the market like cotton oil and soy oil. Consumers are switching from GN oil to Soy and Cotton oil. Arrivals in Gujarat were at about 1.00 lakh bags (1 bag=35 kg). There were good arrivals of groundnut and moderate demands of GN oil at retail ends in Andhra and Chennai mandi. Prices of GN oil were unchanged in Andhra and Chennai market. GN oil prices are expected to remain steady in most of the markets.

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

Centres	28.12.05	27.12.05	Change
Mumbai	438	444	-6
Rajkot	453	460	-7
Andhra Region	445	445	0
Chennai	450	450	0

Sunflower Oil

Spot market prices of sunflower oil were unchanged due to huge availability of other edible oil at low prices in the markets. CIF sunflower is also declined \$ 567/ton from \$571/ton at Kandla port. Major producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. Sunflower oil prices are expected to move range bound with weak sentiments in near term.

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

Markets	28.12.05	27.12.05	Change
Mumbai (Refine)	420	420	0
Mumbai (Crude oil)	385	385	0
Chennai (Refine)	465	465	0
Chennai (Crude)	405	405	0
Hyderabad (Refine)	435	435	0

Cotton Oil:

Cotton oil prices were slightly declined in most of the markets.

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

Markets	28.12.05	27.12.05	Change
Mumbai	346	348	-2
Hyderabad	363	365	-2
Rajkot	335	340	-5

NBOT Soy oil futures as on 28.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	342.90	341.60	341.70	338.70	340.40	-2.50	36460
Feb '06	345.10	343.30	343.30	340.70	342.20	-2.90	13050

NCDEX Soy oil futures as on 28.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	343.70	343.10	343.10	339.10	341.80	5860	16310
Feb'06	346.05	345.10	345.10	342.15	343.95	7070	19010

Forex Rates**(As on 28.12.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.26
European Union	Euro	53.69
Japan	100 Yen	38.60
United Kingdom	Pound Sterling	78.35
Malaysia	Ringgit	11.94
China	CNY	5.59
Argentina	ARS	14.87
Brazil	BRL	19.29
Indonesia	1000 IDR	4.62

LATEST WEATHER WATCH (28.12.2005)

Chief Features

Cold wave conditions prevailed over parts of Marathwada, Gujarat and interior Karnataka where night temperatures were below normal by 4-5° C. They are likely to abate during next 1-2 days. The lowest minimum temperature recorded in the plains of the country was 3.4° C at Amritsar (Punjab).

The upper air cyclonic circulation over south Tamil Nadu & neighbourhood persists and extends upto 3.1 km a.s.l.

Forecast valid for next 72 hours

NORTH: Isolated rainfall/snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Weather will be mainly dry over the rest region.

EAST: Weather will be mainly dry over the region.

SOUTH: Isolated rain/thundershowers is likely over Andaman & Nicobar islands, Tamil Nadu & Pondicherry and Kerala. Weather will be Mainly dry in the rest region.

WEST: Mainly dry weather over the region.

Source: IMD, GOI

PORT-WATCH (Latest):

Kandla Port is receiving 8,000 MT of SBO from the vessel 'Champion Ventura'. The cargo was loaded from Argentina. The vessel is being handled by Interocean agents. 'Global Eos' from Indonesia is expected at the port to deliver 5,500 MT of CPO. Forbes Gokak agents will be handling the vessel. The port is expecting 'Gemini' from Dumai to deliver 8,000 MT of CPO. The vessel will be handled by JM Baxi agents.

Mumbai Port is receiving 10,000 MT of palm oil from the vessel 'Nolowati'. The vessel is being handled by JM Baxi agents. 'Global Eos' from Indonesia is expected at the port to deliver 7,299 MT of palm oil. Forbes Gokak agents will be handling the vessel. Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'MMM Houston'. Seaport agents is handling the vessel. 'Montana Sun' has berthed at Kolatta Port and continues to discharge 21,451 MT of SBO. The vessel is being handled by JM Baxi

agents. New Manglore Port is expecting 'Global Venus' to deliver 8,500 MT of CPO. Patvolk agents will be handling the vessel. 'Spring Wind' is expected at Cochin Port to discharge 4,000 MT of CPO. Delivery of 20,000 MT of SBO is expected at Chennai Port from the vessel 'Stolt Excellence'. JM Baxi agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Eos	5500	CPO	Expected
	Champion Ventura	8000	SBO	Arrived
	Gemini	8000	CPO	Expected
Kolkata	MMM Houston	6000	CPO	Arrived
	Montana Sun	21451	SBO	Arrived
Mumbai	Nolowati	10000	Palm Oil	Arrived
	Global Eos	7299	Palm Oil	Expected
Cochin	Spring Wind	4000	CPO	Expected
Chennai	Stolt Excellence	20000	SBO	Arrived
Mundra	Champion Ventura	20000	SBO	Arrived
New Manglore	Global Venus	8500	CPO	Expected

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