

VEGOIL

December 12, 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Mixed
- NCDEX December Soy Ref. Futures Prices Settle Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD has turned flat in the negative territory; there is no sign of reversal from this indicator.
2. %K line is moving upwards after making bullish crossover with %D line and heading towards neutral region supporting the bullish sentiments in the market.
3. Close above 9 days indicates positive market sentiments in short run however, medium term outlook is still bearish as prices closed below 18 days EMA.
4. Candlesticks has formed spinning top pattern indicating bearish sentiment in the market.

Indicators are showing mixed sentiments in the market.

Market Advice: Market is expected to witness some volatile movements with some bearish touch. Risk takers can take short position with small targets.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	342.50	340.70	347.20	348.00

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: remains closed on Saturday and Sunday

CBOT Soy oil futures as 09.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	20.97	20.75	20.76	20.62	20.70	-0.27
Jan'06	21.22	20.95	21.01	20.78	20.87	-0.35
Mar'06	21.54	21.25	21.35	21.13	21.24	-0.30
May'06	21.84	21.65	21.68	21.50	21.59	-0.25
Jul'06	22.14	22.00	22.00	21.78	21.91	-0.23
Aug'06	22.27	22.05	22.05	21.95	22.03	-0.24
Sep'06	22.39	22.15	22.20	22.11	22.15	-0.24
Oct'06	22.48	22.30	22.30	22.20	22.25	-0.23

CBOT remains closed on Saturday and Sunday.

CPO Futures at BMD Settle Mixed

Crude Palm oil futures at Bursa Malaysia Derivative settled mixed on Monday. Benchmark February future settled up MYR4 at MYR1415 per ton. Export data for MPO export during December 1-10 released by cargo Surveyor Intertek did not have much impact on its prices. Export figures although, were up 23% on month basis remained significantly down against earlier expectation of 3.5 lakh ton. Traders familiar with Intertek reports informed MPO export during December 1-10 at 323,835 ton. Since, crushing of soy is declining due to bird flu in Asian countries, switching of Asians towards palm oil for their edible oil requirement was very much expected.

BMD: CPO Futures (12.12.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1399	1399	1399	1390	1396	-3	27
Jan '06	1409	1410	1415	1409	1409	0	752
Feb '06	1411	1413	1419	1412	1415	+4	1746
Mar '06	1413	1413	1419	1413	1416	+3	860
Apr '06	1413	1420	1420	1420	1420	+7	5

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were mixed. Traders are waiting for production and stock data by Malaysian Palm Oil Board (MPOB). US Department of Agriculture released on December 9, 2005, which revealed bearish sentiments. Market sentiments are expected to move range bound.

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

Centres	12.12.05	10.12.05	Change
Kandla CPO (5 % FFA)	338	337	+1
Kandla RBD Palmolein	361	360	+1
Mumbai RBD Palmolein	373	Closed	-
Chennai RBD Palmolein	375	377	-2
Kakinada RBD Palmolein	374	374	0

Soy oil

Domestic spot market prices of soy oil were slightly increased. Arrivals of soybeans were 1,25,000, 60,000 and 40,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 10000 bags only. December soy oil prices were settled higher in NCDEX and NBOT. Soy oil prices improved due to low import of soy oil in month of December 2005. Market sentiments is expected to move range bound with positive sentiments.

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 \$ 497per tonne.

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

Centres	12.12.05	10.12.05	Change
Mumbai (Soy Ref oil)	361	359	+2
Indore (Soy Ref oil)	343	339	+4
Indore (Solvent Ex. oil)+VAT	317	313	+4
Kota (Soy Ref. Oil)	347	343	+4
Jaipur (Soy Ref. Oil)	348	346	+2
Nagpur (Soy ref. Oil)	344	342	+2

Rape/Mustard oil

Domestic market prices of mustard oil were slightly increased amidst increasing buying demands of mustard oil at retail ends. Mustard oil prices are slightly increased due to bit improvement of soy oil prices at spot market as well as Soy future prices in NCDEX and NBOT. Soy oil and mustard oil are substitute of each other. There is news that traders are mixing soy oil in mustard oil only because the soy oil prices are cheaper than mustard oil. Market sentiments of mustard oil prices are expected to move range bound with positive sentiments.

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

Centres	12.12.05	10.12.05	Change
Mumbai (Rape Expeller Oil)	374	Closed	-
Kota (Rape Expeller Oil)	360	360	0
Jaipur (Rape Expeller Oil)	366	364	+2
Delhi (Rape Expeller Oil)	384	381	+3
Neewai (Kacchi Ghani Rape Oil)	374	372	+2

Groundnut oil

Domestic market prices of Groundnut oil were mixed. There are low buying demands of GN oil at retail ends. Arrivals of groundnut in Gujarat were at 1.40 lakh bags (1 bag=35 kg). GN oil prices were declined in Andhra Pradesh only due to harvesting pressure in Andhra and low buying demand of GN oil at retail ends. GN oil prices are expected to move range bound with weak sentiments.

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

Centres	12.12.05	10.12.05	Change
Mumbai	452	Closed	-
Rajkot	452	450	+2
Andhra Region	445	450	-5
Chennai	445	445	0

Sunflower Oil

Spot market prices of Sunflower oil range bound with weak sentiments. Market sentiments are weak due to good arrivals of groundnut and Soybean in the markets. 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	12.12.05	10.12.05	Change
Mumbai	432	Closed	-
Chennai	476	478	-2

NBOT Soy oil futures as on 12.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	340.50	343.00	343.80	341.50	341.50	+1.00	6030
Jan '06	347.70	351.20	352.00	349.70	349.70	+2.00	33290

NCDEX Soy oil futures as on 12.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	342.30	343.80	346.00	343.60	344.30	4700	10130
Jan 06	348.95	350.00	353.00	350.00	350.55	7620	16100

LATEST WEATHER WATCH (12.12.2005)

Forecast valid for next 72 hours

NORTH : Isolated rain/snow over Jammu & Kashmir likely to commence from 14th onwards. **Mainly dry** weather is likely over the rest region.

EAST : Weather will be **mainly dry** over the region.

SOUTH : Rain/thundershowers likely **at many places** over Kerala and Lakshadweep; **at a few places** over Nicobar Islands and coastal Tamil Nadu & Pondicherry and **isolated** over Rayalaseema, south Coastal Andhra Pradesh, south

coastal Karnataka, South Interior Karnataka and interior Tamil Nadu. **Mainly dry** weather in the rest region.

WEST : Mainly dry weather over the region.

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 Mangalore	Bumik	6500	CPO	Expected
	L Star	6500	CPO	Expected

Forex Rates

(As on 12.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.20
European Union	Euro	54.68
United Kingdom	Pound Sterling	81.31
Japan	100 Yen	38.23
Malaysia	Ringgit	12.19

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