

VEGOIL

December 06, 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Continue Northward
- CBOT Soy Futures Settle Higher on Fund Buying

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD is moving downwards and crossed signal line from above, which is indicating medium term bearish sentiments.
2. %K line has turned upwards, but still below %D line in the oversold region, which indicates price trend reversal.
3. Close far below 9 days and 18 days EMA, which shows bearish market sentiments.

Market Advice: The market is expected to remain slightly bearish.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	345.90	345.40	347.00	347.70

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 on Fund Buying

Soy futures at Chicago Board of Trade settled higher on heavy fund buying. January soybean future settled 10.5 cents higher and March up 9 cents at \$5.795 per bushel. March soy meal settled up \$1.6 at \$176.4 per short ton and March soy oil up 33 points at 22.24 cents per pound. Firm cash basis due to abated selling interest of growers triggered fund buying. Interestingly, weekend Commitment-of-Traders report revealed big net short positions from the fund operators leaving markets to be more vulnerable to short covering. Other fundamentals remained bearish. Weather is ideal for crop in South America. Weather forecast calls for more rains in Argentina and scattered showers in Brazil. Support also stemmed from export inspection report. The US Department of Agriculture (USDA) estimated the weekly export inspection report at 32.3 million bushels against earlier expectations of 18-24 million bushels.

CBOT Soy oil futures as 05.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	21.29	21.30	21.75	21.30	21.66	+0.37
Jan'06	21.56	21.65	22.02	21.65	21.91	+0.35
Mar'06	21.91	21.96	22.35	21.96	22.24	+0.33
May'06	22.20	22.25	22.60	22.25	22.54	+0.34
Jul'06	22.52	22.55	22.88	22.55	22.79	+0.27
Aug'06	22.60	22.82	22.90	22.82	22.87	+0.27
Sep'06	22.68	22.80	23.05	22.80	22.96	+0.28
Oct'06	22.83	23.00	23.10	23.00	23.08	+0.25

CBOT remains closed on Saturday and Sunday.

South American Soybean Settles Higher

South American Soybean settled higher on Friday. March South American Soybean settled 1.75 cents higher at \$6.0125 per bushel. Now, guesswork on crop dimensions of South American soybean is featured as crucial thing in shaping sentiments therein. Traders are waiting for couple of crop data for fresh lead ahead. Brazil ministry will be releasing its soybean crop estimates on Tuesday and USDA will be releasing its monthly crop data on Friday. In its crop report in October, Brazil govt had estimated the soybean production in the country at 56.9-58.5 million ton against 51.1 million ton reaped last year. Traders are expecting these numbers to range 55-57 million ton. In its last report, USDA had estimated the soybean production in Brazil at 58.5 million ton, down against 60 million ton in its previous report.

BMD CPO Futures Continue Northward

Crude Palm oil futures at Bursa Malaysia Derivatives settled higher on Tuesday. Benchmark February future settled up MYR11 at MYR1413 per ton. Traders credited the gains in soy futures at Chicago Board of Trade for firming up of palm oil prices. Fundamentally, markets had nothing tangible to derive upward movements. It's blind chase of CBOT futures that helped recovering palm oil markets from the bearish mode. Stocks of palm oil are feared to rise to burdensome levels. According to traders, Malaysian Palm Oil Board (MPOB) will be releasing its production and stock estimates for palm oil late next week. Traders are expecting that stocks this month could exceed 1.5 million ton.

BMD: CPO Futures (06.12.2005)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1397	1402	1405	1400	1405	+8	201
Jan '06	1401	1403	1413	1403	1412	+11	609
Feb '06	1402	1405	1415	1403	1413	+11	3487
Mar '06	1404	1405	1416	1405	1414	+10	1614
Apr '06	1405	1408	1408	1408	1408	+3	5

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were range bound. Stock of palm oil is increasing, in spite of that Palm oil prices are not going down only because soy oil future settled higher on Chicago Board of Trade on Friday. Stocks of palm oil are feared to rise to burdensome levels. Palm oil prices are expected range bound.

FOB prices of CPO (December) were last quoted at \$ 357.50 per tonne and RBD Palmolein at \$ 395 per tonne.

Palm oil - Spot Market Price

(Rs. per 10 kg)

Centres	06.12.05	05.12.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	359	360	-1
Mumbai RBD Palmolein	374	373	+1
Chennai RBD Palmolein	378	376	+2
Kakinada RBD Palmolein	376	375	+1

Soy oil

Domestic spot markets of soy oil prices range bound with positive market sentiments. Arrivals of soybean are slightly declined in Madhya Pradesh and Rajasthan. Total arrivals of soybeans were 1.00 -1.25 lakh, 1.00 lakh and 0.75 lakh bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 7000-8000 bags only. December soy oil prices are marginally improved in NCDEX and NBOT. KLCE were settled up today. CBOT were settled up on Friday. The above-mentioned factors might be helped to boost up the soy oil prices at spot markets.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 334 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 515 per tonne.

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

Centres	06.12.05	05.12.05	Change
Mumbai (Soy Ref oil)	363	362	+1
Indore (Soy Ref oil)	343	342	+1
Indore (Solvent Ex. oil)+VAT	317	318	-1
Kota (Soy Ref. Oil)	348	346	+2
Jaipur (Soy Ref. Oil)	352	350	+2
Nagpur (Soy ref. Oil)	344	343	+1

Rape/Mustard oil

Domestic market sentiments of mustard oil were range bound with positive sentiments. There were more buying demands at retail ends in most of the markets. February future prices of mustard seeds in Hapur and Delhi exchange were settled mildly low. Mustard oil prices are marginally high might be due to bit improvement in soy oil prices. According to local traders, demand of refined oil is slightly increased in winter season because vanaspati ghee 's solidify in this season. Refined oil is convenient to use in this season as compared to vanaspati ghee. Sentiments of mustard oil prices are expected rangebound.

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

Centres	06.12.05	05.12.05	Change
Mumbai (Rape Expeller Oil)	383	382	+1
Kota (Rape Expeller Oil)	360	358	+2
Jaipur (Rape Expeller Oil)	365	362	+3
Delhi (Rape Expeller Oil)	380	378	+2
Neewai (Kacchi Ghani Rape Oil)	373	373	0

Groundnut oil

Domestic spot markets prices of groundnut oil remained range bound. Arrivals of groundnut in Gujarat were continued at 1.35 - 1.40 lakh bags (1 bag=35 kg). Harvesting of groundnut is likely over in Gujarat. Harvesting of groundnut is started in Andhra and Chennai. GN oil prices marginally declined in Andhra Pradesh only due to harvesting pressure of new crop.

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

Centres	06.12.05	05.12.05	Change
Mumbai	457	457	0
Rajkot	459	460	-1
Andhra Region	455	459	-4
Chennai	450	450	0

Sunflower Oil

Spot market prices of Sunflower oil were unchanged in Mumbai, however it is slightly increased in Chennai market due to increasing buying demand of sunflower oil at retail end. 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 range bound.

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

Markets	06.12.05	05.12.05	Change
Mumbai	440	440	0
Chennai	480	475	+5

NBOT Soy oil futures as on 06.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	344.40	344.70	345.50	344.50	344.60	+0.20	10930
Jan '06	351.90	352.50	353.40	352.40	352.50	+0.60	11700

NCDEX Soy oil futures as on 06.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	345.80	346.50	347.30	346.20	346.20	3520	16950
Jan 06	352.65	353.90	354.40	353.40	353.60	5960	14670

LATEST WEATHER WATCH (06.12.2005)**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 most places over Andaman & Nicobar Islands; at a few places over Lakshadweep and isolated over Tamil Nadu & Pondicherry and Kerala. Mainly dry weather in the rest region. Rainfall activity over Bay islands will decrease after 24 hrs.

WEST: Mainly dry weather over the region.

Source: IMD, GOI

Forex Rates (As on 06.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.18
European Union	Euro	54.43
United Kingdom	Pound Sterling	80.43
Japan	100 Yen	38.19
Malaysia	Ringgit	12.22

PORT-WATCH (Latest):

'Jian She 35' from Malaysia has berthed at Kandla Port and continues to deliver 8,000 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 8,000 MT of SBO is continuing at JN Port from the vessel 'Global Venus'. Patvolk agents is handling the vessel.

'Tirta Niaga 2' has berthed at Chennai Port and is continuing to discharge 4,600 MT of CPO. The vessel is being handled by Interocean agents.

Kakkinada Port is expecting 'Istana VI' to deliver 5,000 MT of CPO.

New Manglore Port is receiving 7,211 MT of CPO from the vessel 'Spring Wind'. Seaport agents is handling the vessel. Delivery of 5,500 MT of CPO is continuing at the port from the vessel 'Hua Yun 5'. The vessel is being handled by Patvolk agents.

'MMM Jackson' and 'MMM Houston' are expected at Chennai Port to deliver 6,000 MT and 3,500 MT of palm oil respectively. Seaport and JM Baxi agents will be handling these vessels.

Delivery of 5,045 MT of palm oil is expected at Mumbai Port from the vessel 'Global Trader' shortly. Canopus agents will be handling the vessel. The port is expecting 'Isokaze' to deliver 3,500 MT of palm oil. The vessel will be handled by Interocean agents.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kakkinada	Istana VI	5000	CPO	Arrived
Kolkata	Team Ace	4500	CPO	Arrived
Kandla	Jian She 35	8000	CPO	Arrived
Chennai	Tirta Niaga 2	4600	CPO	Arrived
	MMM Houston	3500	Palm Oil	Expected
	MMM Jackson	6000	Palm Oil	Expected
Mumbai	Global Trader	5045	Palm Oil	Expected
	Iso kaze	3500	Palm Oil	Expected
JN	Global Venus	8000	SBO	Arrived
New Manglore	Spring Wind	7211	CPO	Arrived
	Hua Yun 5	5500	CPO	Arrived

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