

VEGOIL

December 08, 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Slightly Down
- CBOT Soy Futures Settle Lower Ahead of Crop Data

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD is moving downwards below signal line and has deviated sharply from it, which is indicating medium term bearish sentiments.
2. %K line moving downwards below %D line in the oversold region, which indicates bearish sentiments.
3. Close far below 9 days and 18 days EMA, which shows bearish market sentiments.

Market Advice: The market is expected to move range bound with weak sentiments.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	339.60	338.70	341.90	343.00

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 Lower Ahead of Crop Data

Soy futures at Chicago Board of Trade settled lower ahead of USDA report. January soybean future settled off 5 cents at \$5.59 and March off 3.5 cents at \$5.675 per bushel. March soybean oil settled off \$1.3 at \$174.4 per short ton and March soybean oil off 1 point at 21.56 cents per pound. Fundamentally market had nothing pushy to help staying higher. The US Department of Agriculture will be releasing its monthly crop report on Friday. Traders are expecting increase in end stock and decline in soy export. Market is expecting increase in ending stock to 390 million bushels, up against 256 million bushels in last year. Bearishness also stemmed from the canola production report released by Stats Canada. Canola production was put at 9.66 million ton against earlier trade expectations of 8.7-9.0 million ton. For weekly export sale of US soy, traders expecting figures to come in the range of 4-6 lakh ton. Export of soybean is expected between 0.75-1.25 lakh ton and soybean between 3000-8000 ton.

CBOT Soy oil futures as 07.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	21.05	21.03	21.03	20.72	21.00	-0.05
Jan'06	21.33	21.25	21.25	20.95	21.19	-0.14
Mar'06	21.66	21.52	21.57	21.28	21.56	-0.10
May'06	21.95	21.78	21.90	21.60	21.87	-0.08
Jul'06	22.24	22.05	22.23	21.90	22.16	-0.08
Aug'06	22.35	22.20	22.27	22.05	22.27	-0.08
Sep'06	22.45	22.33	22.35	22.20	22.35	-0.10
Oct'06	22.60	22.50	22.50	22.35	22.50	-0.10

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Lower

South American Soybeans future settled lower on Wednesday. South American Soybeans settled lower 7 cents at \$ 6.04 per bushel. Lower settlement of US soy prices at CBOT is affected to South American soy Market. Govt of Brazil released crop estimate reports; it could not bring much impact on soy market. Brazil's official crop estimate revealed at 57.3 to 58.5 million tonnes as compared with 56.7 to 58.6 million tonnes as their November estimates. There is news of foot and mouth disease in animals in Brazil; this will bring negative impact on domestic consumption. Spread of bird flu is continued to obstacle in export demand of soybean. Traders are hesitating to buy soybean in bulk due to spread of bird flu in Asia. The bird flu case in human reported in China, this is one of the 30 outbreaks of the bird flu. China still could not control on bird flu disease.

CPO Futures Settle Slightly Lower on BMD

BMD Crude palm oil future settled slightly down at the end of session on Thursday. The benchmark February CPO contract ended at MYR1410 per metric ton, down MYR3 from Wednesday. Soybean future prices settled down at CBOT on Wednesday can be a cause to slightly decline in palm oil future prices. Traders are waiting for Malaysian Palm Oil export estimates of December 1-10, 2005. The Malaysian Palm Oil Board is also due to release official November production, export and stocks data on the same day. The U.S. Department of Agriculture is scheduled to released soybean monthly supply and demand report on Friday.

BMD: CPO Futures (08.12.2005)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1398	1397	1397	1391	1396	-2	80
Jan '06	1410	1409	1410	1402	1408	-2	416
Feb '06	1413	1412	1413	1404	1410	-3	2651
Mar '06	1414	1413	1413	1405	1411	-3	1297
Apr '06	1415	1410	1412	1409	1412	-3	30

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market range bound amidst low buying demand at retail ends. Traders are waiting for production and stock data by Malaysian Palm Oil Board (MPOB), it is going to release in next week. Department of Agriculture (USDA) will release its monthly Soybean report on Friday. Traders are waiting these reports eagerly. Market sentiments are expected to bearish.

FOB prices of CPO (December) were last quoted at \$ 357.50 per tonne and RBD Palmolein at \$ 390 per tonne.

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

Centres	08.12.05	07.12.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	359	359	0
Mumbai RBD Palmolein	373	373	0
Chennai RBD Palmolein	375	377	-2
Kakinada RBD Palmolein	374	375	-1

Soy oil

Domestic spot market prices of soy oil are continued declined today. Arrivals of soybeans are slightly declined today in major markets as compared to yesterday. Total arrivals of soybeans were 1,00,000, 50,000-60,000 and 70,000-80,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 6000-7000 bags only. December soy oil prices were settled down in NCDEX and NBOT. December palm oil futures are also lower in KLCE. CBOT December soy future were settled down on Wednesday. The above-mentioned factors helped to bring bearish market sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 332 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 506 per tonne.

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

Centres	08.12.05	07.12.05	Change
Mumbai (Soy Ref oil)	359	360	-1
Indore (Soy Ref oil)	339	341	-2
Indore (Solvent Ex. oil)+VAT	314	317	-3
Kota (Soy Ref. Oil)	343	345	-2
Jaipur (Soy Ref. Oil)	345	348	-3
Nagpur (Soy ref. Oil)	341	342	-1

Rape/Mustard oil

Domestic market prices of mustard oil range bound with weak sentiments amidst low buying demand at retail ends in most of the markets. Mustard seed rate were Rs1450/Qtl, Rs 1700/Qtl in Kota and Jaipur respectively. Market sentiments of mustard oil prices are expected to move range bound.

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

Centres	08.12.05	07.12.05	Change
Mumbai (Rape Expeller Oil)	380	378	+2
Kota (Rape Expeller Oil)	355	358	-3
Jaipur (Rape Expeller Oil)	360	362	-2
Delhi (Rape Expeller Oil)	382	384	-2
Neewai (Kacchi Ghani Rape Oil)	372	372	0

Groundnut oil

Domestic spot markets prices of groundnut oil were declined in most of the markets except Gujarat market. GN oil prices declined only because the harvesting pressure of new crop in Andhra and Tamil Nadu. More supply of GN is the major cause to decline of GN oil prices in most of the market. However, spot market prices in Gujarat slightly increased due to more buying demands at retail ends. Arrivals of groundnut in Gujarat were continued at 1.35 - 1.40 lakh bags (1 bag=35 kg). Harvesting of groundnut is over in Gujarat. Harvesting of groundnut is started in Andhra and Chennai. GN oil prices are expected to move range bound with weak sentiments.

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

Centres	08.12.05	07.12.05	Change
Mumbai	450	454	-4
Rajkot	456	450	+6
Andhra Region	450	455	-5
Chennai	445	450	-5

Sunflower Oil

Spot market prices of Sunflower oil range bound. Harvesting pressure of GN crop in Tamil Nadu and there is news of sunflower import consignment is expected, these factors may cause to weak markets sentiments for sunflower in Chennai market. Major producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. CIF prices for sunflower oil at Kandla port were US \$ 566/ton. Sunflower oil prices are expected to move range bound.

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

Markets	08.12.05	07.12.05	Change
Mumbai	440	440	0
Chennai	477	479	-2

NBOT Soy oil futures as on 08.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	340.70	341.00	341.20	338.80	338.80	-1.90	12050
Jan '06	348.20	347.70	348.60	346.30	346.70	-1.50	26140

NCDEX Soy oil futures as on 08.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	342.25	342.10	342.30	340.10	340.50	4580	13800
Jan 06	349.40	348.40	349.50	347.00	347.00	5090	15610

LATEST WEATHER WATCH (08.12.2005)

Forecast valid for next 72 hours

NORTH: Mainly dry weather is likely over the region. However isolated rain/snow likely over Jammu & Kashmir from 9th.

EAST: Isolated rain/thundershowers likely over northeastern States. Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands. Isolated over coastal Tamil Nadu & Pondicherry, south coastal Andhra Pradesh. Mainly dry weather in the rest region. Rainfall activity over Coastal Tamil Nadu & Pondicherry and south Coastal Andhra Pradesh is likely to increase from tomorrow morning, which will subsequently extend into interior peninsula.

WEST: Mainly dry weather over the region.

Warning

Isolated heavy rain likely commence over Coastal Tamil Nadu & Pondicherry and south Coastal Andhra Pradesh from 9th morning.

Source: IMD, GOI

PORT-WATCH (Latest):

'MMM Jackson' has berthed at Chennai Port and continues to deliver 5,900 MT of palm oil. Seaport agents is handling the vessel. 'MMM Houston' is expected at Chennai Port to deliver 3,500 MT of palm oil. JM Baxi agents will be handling these vessels. 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.

Kakkinada Port is receiving 5,000 MT of CPO from the vessel 'Istana VI'.

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

'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.

'Spring Glory' is expected at Tuticorin Port to discharge 7,000 MT of palm oil. St.John agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kakkinada	Istana VI	5000	CPO	Arrived
Kolkata	Team Ace	4500	CPO	Arrived
	Filma Satu	5000	CPO	Arrived
Kandla	Jian She 35	8000	CPO	Arrived
Chennai	Montana Star	15250	SBO	Expected
	MMM Houston	3500	Palm Oil	Expected
	MMM Jackson	5900	Palm Oil	Arrived
Mumbai	Global Trader	5045	Palm Oil	Arrived
	Iso kaze	3500	Palm Oil	Expected
Tuticorin	Spring Glory	7000	Palm Oil	Expected

Forex Rates

(As on 08.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.33
European Union	Euro	54.26
United Kingdom	Pound Sterling	80.31
Japan	100 Yen	38.39
Malaysia	Ringgit	12.26

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