

VEGOIL

December 16, 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Slightly Higher
- CBOT Soy Futures Settle Mixed
- NCDEX January Soy Oil Settle Down

TECHNICAL ANALYSIS

COMMODITY: SOY OIL
Perspective: Very Short Term
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD has turned downward and crossed signal line from above, which indicate bearish sentiments.
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.

4. Candlesticks has formed doji pattern hinting trend reversal likely, but confirmation is required.

Market Advice: Trend reversal is likely. Go long with caution.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	345.20	343.70	347.50	348.80

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 future settled mixed at Chicago Board of Trade on Thursday. January soybeans settled 5.25 cents down at \$ 5.8725 per bushel, 6.75 cents off the high and 2.25 cents up from the low and March soybean settled lower 5.25 cents at \$5.98 per bushel, it was 2.75 cents up from the low and 7 cents off the high. March Soymeal settled lower \$3.6 at \$188.9 per tonnes, \$ 0.9 up from the low and \$ 3.6 off the high. March Soybean oil settled higher 0.1 cents at 21.69 cents/pounds, 0.08 cents off the high and 0.2 cents up from the low. Weekly exports sales report is released by US Department of Agriculture on December 15, 2005. Weekly exports sales for soybeans came at 504100 as against trade expectations between 350000-650000, it is within range of trade expectations by traders, but cumulative sales were 46.5 % of USDA forecast as compared to 65.7% on average over the last five years. Soy meal sales came at 120900 metric tonnes as compared to trader's expectations range 100000-150000. Export sales of Soy oil were only 300 metric tonnes as compared to trade expectations between 0-10,000. The Brazil Geographic and Statistics Institute revealed that the Brazil crop production for the 2005/2006 season is pegged at 58.4 million tonnes, down from 58.7 million projected last month but up from 51.1 million tonnes last year. South American planted area for soybean crop is declined by 6.4%. News that China reported another human bird flu case, which is also brought negative impact on soy meal exports. There were bearish sentiments in Soybean and meal only due to slow export pace and continuous spread of bird flu in China.

CBOT Soy oil futures as 15.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	21.30	21.20	21.47	21.18	21.40	+0.10
Mar '06	21.59	21.52	21.77	21.49	21.69	+0.10
May '06	21.90	21.85	22.07	21.80	22.00	+0.10
Jul '06	22.19	22.13	22.40	22.13	22.31	+0.12
Aug '06	22.29	22.34	22.52	22.30	22.43	+0.14
Sep '06	22.40	22.45	22.66	22.45	22.53	+0.13
Oct '06	22.50	22.55	22.80	22.55	22.60	+0.10
Dec '06	22.80	22.75	23.00	22.75	22.87	+0.07

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Down

South American soybean settled down on Thursday. March Soybeans settled down 6 cents at \$ 6.38 per bushels. The Brazil Geographic and Statistics Institute revealed that the Brazil crop production for the 2005/2006 season is pegged at 58.4 million tonnes, down from 58.7 million projected last month but up from 51.1 million tonnes last year. South American planted area for soybean crop is declined by 6.4%. News that China reported another human bird flu case, which is also brought negative impact on soy meal

exports. The NOPA crush report yesterday revealed November crush at 144.9 million bushels as compared with trade expectations near 147-150 million bushels and 150.8 million bushels in October. There were bearish sentiments in Soybean and meal only due to slow export pace and continuous spread of bird flu in China. Weekly exports sales report is released by US Department of Agriculture on December 15, 2005. Weekly exports sales for soybeans came at 504100 as against trade expectations between 350000-650000, it is within range of trade expectations by traders, but cumulative sales were 46.5 % of USDA forecast as compared to 65.7% on average over the last five years. Soy meal sales came at 120900 metric tonnes as compared to trader's expectations range 100000-150000. Export sales of Soy oil were only 300 metric tonnes as compared to trade expectations between 0-10,000.

CPO Futures at BMD Settle Slightly Higher

Crude Palm oil futures at Bursa Malaysia Derivatives settled marginally up after choppy trend Benchmark March future settled up MYR1 at MYR1401 per ton. Market had in fact nothing to move on either side of unchanged levels. Majority opted to square off positions calmly at weekend amidst dearth of fresh fundamental news. Markets' tilt was mostly bearish through the day. Talks of rising stock have been curbing the northwardly dispositions. Overnight firm closing of soy oil futures at Chicago Board of Trade helped improving the sentiments.

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 no news right now to push the market sentiments. However, palm oil prices are slightly improved at the end of the day in KLCE. Market sentiments are expected to move range bound.

FOB prices of CPO (December) were last quoted at \$ 352.50 per tonne and RBD Palmolein at \$ 380 per tonne.

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

Centres	16.12.05	15.12.05	Change
Kandla CPO (5 % FFA)	338	336	+2
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	371	371	0
Chennai RBD Palmolein (Ruchi)	375	375	0
Chennai RBD Palmolein (MRaja)	380	380	0
Kakinada RBD Palmolein	374	374	0

Soy oil

Domestic spot market prices of soy oil continued range bound with weak sentiments. There is no fresh news to boost up the soybean oil prices. Total arrivals of soybeans were 1,50,000, 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 10000-12000 bags only. January soy oil prices were settled down in NCDEX and NBOT. January palm oil prices were slightly improved at the end of the day in KLCE. 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 \$ 498 per tonne.

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

Centres	16.12.05	15.12.05	Change
Mumbai (Soy Ref oil)	358	358	0
Indore (Soy Ref oil)	339	339	0
Indore (Solvent Ex. oil)+VAT	315	317	-2
Kota (Soy Ref. Oil)	345	345	0
Jaipur (Soy Ref. Oil)	348	348	0
Nagpur (Soy ref. Oil)	342	343	-1

Rape/Mustard oil

Domestic market prices of mustard oil range were lacklustre. Mustard oil prices are slightly lower side because the low market sentiments of soy oil 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 Jaipur were quoted Rs 1700/ql. Arrivals of mustard seed were 500-700 bags at Neewai market. News that the harvesting of toria is started in Punjab, however sowing area and production of toria is very nominal in comparison to mustard/rapeseeds. 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	16.12.05	15.12.05	Change
Mumbai (Rape Expeller Oil)	370	372	-2
Kota (Rape Expeller Oil)	355	355	0
Jaipur (Rape Expeller Oil)	359	360	-1
Delhi (Rape Expeller Oil)	380	380	0
Neewai (Kacchi Ghani Rape Oil)	370	370	0

Groundnut oil

Domestic market prices of groundnut oil were slightly declined in most of the markets. GN oil prices were slightly increased yesterday in Andhra region only due to poor supply of GN oil. GN oil prices in Andhra came again at Rs

445 per 20 kg. There were low buying demands of GN oil at retail ends. Arrivals of groundnut in Gujarat were at 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	16.12.05	15.12.05	Change
Mumbai	443	445	-2
Rajkot	446	448	-2
Andhra Region	445	450	-5
Chennai	445	445	0

Sunflower Oil

Spot market prices of Sunflower oil range bound. 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	16.12.05	15.12.05	Change
Mumbai	432	432	0
Chennai	473	472	+1

NBOT Soy oil futures as on 16.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	346.00	346.60	346.90	344.40	346.00	0	34690
Feb'06	349.40	349.50	349.80	347.90	349.70	+0.30	4530

NCDEX Soy oil futures as on 16.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec 05	340.45	340.30	340.65	338.60	339.65	1850	7780
Jan 06	346.65	346.35	347.15	344.80	346.40	6350	16690
Feb'06	351.10	350.90	351.20	348.70	350.25	3240	9730

LATEST WEATHER WATCH (16.12.2005)

Forecast valid for next 72 hours

NORTH: Weather will be **mainly dry** over the region

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

SOUTH: Weather will be **mainly dry** over the region. Isolated to scattered rainfall is also likely over south Coastal Andhra Pradesh, Rayalaseema and South Interior Karnataka from tomorrow evening.

WEST: **Mainly dry** weather over the region.

Warning

Isolated heavy rainfall is likely to commence along Tamilnadu coast from tonight. Strong winds with speed reaching 50-60 kmph also likely along and off Tamilnadu coast from tomorrow morning.

Source: IMD, GOI

Forex Rates (As on 16.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.38
European Union	Euro	54.29
United Kingdom	Pound Sterling	80.11
Japan	100 Yen	39.20
Malaysia	Ringgit	12.00

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

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