

VEGOIL

December 31, 2005

MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Oil Marginally Higher
- CBOT Soy Oil Futures Settle Higher

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD is moving downwards in the negative territory indicating bearish sentiments.
2. Stochastic is not showing any clear cut direction.
3. Close below 5 days EMA (343.55) and 7 days EMA (342.69) indicates bearish trend.
4. Candlestick pattern shows slightly bullish sentiments.

Market Advice: Market is expected to open firm and hinting trend reversal. Go long near =340.90, target near=342.50, stop loss near=340.30.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	339.50	338.40	341.60	342.80

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 Oil Futures Settle Higher

Soy futures settle mixed on Chicago Board of Trade on Friday. March soybean future settled up 4.75 cents at \$ 6.135 per bushel, 0.50 cents off the high and 9 cents up from the low and May soybean settled higher 4.25 cents at \$ 6.22 per bushel, 8.5 cents up from the low and 1 cent off the high. March soymeal settled lower \$ 1.5 at 196.3 per metric tonnes, \$ 1.3 up from the low and \$1.5 off the high. March Soybean Oil settled higher 0.74 cents at 21.9 cents/pounds, 0.1 cent off the high and 0.78 cents up from the low. There were talks about forecast of scattered rain in Argentina. USDA weekly export sales were friendly. Weekly export sales for soybean were higher than trade expectations and export sales for soymeal and soyoil were within range of trade expectations. USDA weekly export sales for soybeans came at 906,200 metric tonnes as compared to trade expectations range of 550,000-750,000. Soybean meal sales came at 81,800 metric tonnes as compared to trade expectations range of 75,000-125,000. Oil sales came at 7,500 tonnes as compared to trade expectations between 5,000-15,000 tonnes.

CBOT Soy oil futures as 30.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	20.90	20.90	21.35	20.80	21.30	+0.40
Mar 06	21.16	21.23	22.00	21.12	21.90	+0.74
May'06	21.55	21.61	22.25	21.50	22.14	+0.59
Jul '06	21.85	21.90	22.45	21.80	22.32	+0.47
Aug'06	22.01	22.01	22.25	21.95	22.25	+0.24
Sep'06	22.11	22.11	22.40	22.11	22.40	+0.29
Oct '06	22.35	22.35	22.70	22.25	22.52	+0.17
Dec'06	22.60	22.65	23.00	22.50	22.95	+0.35

CBOT remains closed on Saturday and Sunday.

South American soybean futures Settle Lower

South American soybeans future settled slightly down on Friday. March South American soybeans settled 16 cents lower on Friday at \$ 6.30 per bushels. Recent rains in Brazil and hope of scattered rain in Argentina in next week brought pressure in the market. Chinese buyers attracted towards South American soybeans due to huge stock of soybeans. Romania confirmed the deadly bird flu strain in 7 villages east of Bucharest. Weekly export sales for soybeans came in at 890,200 tonnes for the current crop and 16,000 for new crop for a total of 906,200, which was above expectations and compares favorably with 829,800 tonnes last week. Meal sales totaled 81,000 tonnes, which was within the expected range but towards the low end, and oil sales totaled 7,500, also towards the lower end of expectations.

BMD: remains closed on Saturday and Sunday

BMD: CPO Futures (30.12.2005) (Ringgit/ton)							
Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1399	1399	1405	1397	1397	-2	1064
Feb 06	1411	1410	1416	1409	1409	-2	642
Mar 06	1415	1414	1423	1412	1415	0	2044
Apr 06	1417	1419	1426	1419	1420	+3	1118
May 06	1422	1426	1426	1426	1426	+4	10

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at physical market were mixed. Palm oil prices were quoted low at Kandla and Mumbai due to oil pressure and low demands at retail ends. However, palm oil prices were slightly improved in Hyderabad due to increasing demand at retail ends. Palm oil prices are expected to move range bound.

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

Centres	31.12.05	30.12.05	Change
Kandla CPO (5 % FFA)	334	334	0
Kandla RBD Palmolein	358	360	-2
Mumbai RBD Palmolein	368	370	-2
Chennai RBD Palmolein	374	374	0
Kakinada RBD Palmolein	369	368	+1
Hyderabad RBD Palmolein	379	375	+4

Soy oil

Today domestic soy oil prices range bound. NCDEX January Soyoil prices opened at 341.05 and closed 340.60. Soy oil prices are declined due to selling pressure in the markets. Arrival of Soybean is good in most of Mandis. Total arrivals of soybeans were 150,000-200000 bags (1 bags= 85 kg) in Major markets of India. Arrivals of soybean in Kota mandi were 10,000 bags only. Soy oil prices are expected to move range bound with positive sentiments. Soy oil prices are expected to range bound with positive sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 326/27 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	31.12.05	30.12.05	Change
Mumbai (Soy Ref oil)+VAT	335	336	-1
Indore (Soy Ref oil)	338	337	+1
Indore (Solvent Ex. Oil)+VAT	314	311	+3
Kota (Soy Ref. Oil)	345	345	0
Jaipur (Soy Ref. Oil)	348	348	0
Nagpur (Soy ref. Oil)	342	341	+1
Chennai (Soy Ref Oil)	356	356	0
Hyderabad (Soy Ref)	370	363	+7
Rajkot (Soy Ref)	350	340	+10

Rape/Mustard oil

Mustard oil prices at physical market remain went down slightly amidst low demands at retail ends. Mustard seed prices are also declined slightly in most of the markets. Low prices of mustard seeds would bring negative impact on its prices. Low prices of soy oil and cotton oil in the markets are the major cause of low mustard oil prices. These oils are substitute of each other According to traders there is huge stock of mustard seed. Harvest of Mustard seed will be starting in the second fortnight of January in some areas of Rajasthan. Weather is ideal for mustard crop.

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

Centres	31.12.05	30.12.05	Change
Mumbai (Rape Expeller Oil)	368	368	0
Kota (Rape Expeller Oil)	354	356	-2
Jaipur (Rape Expeller Oil)	356	358	-2
Delhi (Rape Expeller Oil)	380	382	-2
Neewai (Kachchi Ghani Rape Oil)	368	369	-1
Kota (Kachchi Ghani Rape oil)	376	378	-2

Groundnut oil

Domestic markets prices of groundnut oil were mixed. GN oil prices were low in Gujarat amidst poor demands at retail ends. There was talk about the mixture of other edible oil in GN oil like Soy oil and cotton oil. These oils are cheaper as compared to GN oil. Arrivals of groundnut were around 80,000-90,000 bags in Gujarat (1 bag= 35 Kg). Demand of GN oil prices went up slightly in Andhra region as compared to yesterday due to good demands at retail ends.

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

Centres	31.12.05	30.12.05	Change
Mumbai	438	436	+2
Rajkot	446	450	-4
Andhra Region	445	440	+5
Chennai	445	445	0

Sunflower Oil

Sunflower oil prices on physical market were slightly weak as compared to yesterday's prices. Due to huge availability of other low priced edible oil in the market in comparison to sunflower oil like a soy oil, rice bran oil and cotton oil. CIF sunflower were slightly weak. CIF Sunflower oil prices (January shipment) at Kandla port were quoted at \$ 562 per tonnes.

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

Markets	31.12.05	30.12.05	Change
Mumbai (Refine)	407	407	0
Chennai (Refine)	460	465	-5
Hyderabad (Refine)	430	430	0
Mumbai (Crude)	375	375	0
Chennai (Crude)	438	445	-7
Hyderabad (Crude)	405	-	-

Cotton Oil

Cotton oil prices on physical markets were mixed. There was good arrival of cottonseeds in Gujarat. It was the major cause to decline its prices and low demands at retail ends. There is no doubt that the huge stock of edible oil in the markets. Cotton oil prices are expected to range bound in near term.

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

Markets	31.12.05	30.12.05	Change
Mumbai	343	342	+1
Hyderabad	366	362	+4
Rajkot	320	335	-15

NBOT Soy oil futures as on 31.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	339.10	340.50	340.50	338.70	339.30	+0.20	13090
Feb '06	340.90	342.00	342.20	339.70	340.60	-0.30	11270

NCDEX Soy oil futures as on 31.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	340.45	341.05	342.10	340.55	340.60	1690	16260
Feb'06	342.70	343.30	343.80	342.80	342.55	990	20780

Forex Rates

(As on 31.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.95
European Union	Euro	53.22
Japan	100 Yen	38.19
United Kingdom	Pound Sterling	77.33
Malaysia	Ringgit	11.89
China	CNY	5.57
Argentina	ARS	14.83
Brazil	BRL	19.22
Indonesia	1000 IDR	4.58

LATEST WEATHER WATCH (31.12.2005)

Forecast valid for next 72 hours

NORTH: Fairly widespread rainfall/snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal and to scattered rain/thundershowers over the plains of Punjab, Haryana (Chandigarh & Delhi) and West Uttar Pradesh. It is likely to increase from 1st January 2006 onwards.

EAST: Weather will be mainly dry over the region.

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

WEST: Mainly dry weather over the region. Scattered rain/thundershowers likely over north Rajasthan from 1st January and isolated rain/thundershowers over south Rajasthan.

Source: IMD, GOI

PORT-WATCH (Latest):

'Khadijah' is discharging 3,000 MT of CPO at Kolkata Port. The vessel is being handled by Atlantic agents. '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. The port is expecting 'Cheras' to deliver 6,000 MT of CPO. Seaport agents will be handling the vessel.

'Global Eos' from Indonesia has berthed at Kandla Port and continues to deliver 5,500 MT of CPO. Forbes Gokak agents is handling the vessel. The port is receiving 8,000 MT of CPO from the vessel 'Gemini'. The cargo was loaded from Dumai. The vessel is being handled by JM Baxi agents.

'Global Eos' from Indonesia is expected at Mumbai Port to deliver 7,299 MT of palm oil. Forbes Gokak 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.

Kakkanada Port is expecting 'Global Pallas' to discharge 3,000 MT of CPO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Eos	5500	CPO	Arrived
	Gemini	8000	CPO	Arrived
Kolkata	Khadijah	3000	CPO	Arrived
	Montana Sun	21451	SBO	Arrived
	Cheras	6000	CPO	Expected
Mumbai	Nolowati	10000	Palm Oil	Arrived
	Global Eos	7299	Palm Oil	Expected
Cochin	Spring Wind	4000	CPO	Expected
Chennai	Stolt Excellence	20000	SBO	Expected
Kakinada	Global Pallas	3000	CPO	Expected

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