

VEGOIL

December 15, 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Mostly Down
- 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 turned downwards crossed %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 pattern shows bearish market sentiment.

Indicators are showing bearish sentiments in the market.

Market Advice: Market sentiments are expected to move range bound with weak sentiments. Go short at 346.60 with target 345.60, put stop loss at 347.00.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	345.80	344.90	347.60	348.40

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 Wednesday. January soybeans settled 5 cents lower at \$ 5.925 per bushel, 7 cents off the high and 4.5 cents up from the low and March soybeans settled down 4.75 cents at \$ 6.035 per bushel, 7.5 cents off the high and 5 cents up from the low. March Soymeal settled lower \$ 3 at \$192.5 per tonnes; it was \$1.5 up from the low and \$ 3 off the high. March soybean oil settled higher 0.19 cents at 21.59 cents/pounds, 0.12 cents off the high and 0.2 cents up from the low. There is nothing pushy to support the soy markets in United State. Slowed export pace, so far, has resulted in rising inventories of soybean in United State. Crush report released by National Oilseed Processors Association was bit bearish. NOPA estimated the soybean crush in November at 144.9 million bushels against earlier trade expectations of 147-150 million bushels. Stock of soyoil is rising as well despite low scaled crushing. Crush report revealed stock of soyoil at November end at 1.61 billion pounds up against 1.5 billion pounds in October. On export front, Taiwan is tendering for 40,000-60,000 ton of US soybean. Improving weather in South America had additional bearish impact. Traders are not optimistic about the soy export report to be released by USDA on Thursday. Traders are expecting US soybean export sale in the range of 3.5 -6.50 lakh ton. Export sale of Soymeal is expected between 1-1.5 lakh ton and oil between 0-10000 ton.

CBOT Soy oil futures as 14.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	20.90	20.90	21.18	20.90	20.91	+0.01
Jan'06	21.05	21.05	21.38	21.05	21.30	+0.25
Mar'06	21.40	21.40	21.71	21.39	21.59	+0.19
May'06	21.75	21.75	22.00	21.70	21.90	+0.15
Jul'06	22.05	22.10	22.30	22.02	22.19	+0.14
Aug'06	22.16	22.45	22.45	22.17	22.29	+0.13
Sep'06	22.27	22.40	22.60	22.30	22.40	+0.13
Oct'06	22.38	22.50	22.65	22.45	22.50	+0.12

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Higher

South American soybean futures settled higher on yesterday. March South American soybeans settled 13 cents higher at \$ 6.44 per bushels. Recently improved exports demand of South American soybean during this period, while it was very competitive period with US soybean. Trader's attention is shifting towards South American Soybean from US soybean and improved weather is also helped to improve demands of the South American soybeans. Volume of trade is continuously increasing in the market; it is a healthy signal for South American soybeans. There is expected to rain in Brazil in

next week, it would be more helpful for soybean crop and might ease in recent dryness fear. China imported 2.55 million tonnes of soybeans in November, which brought cumulative imports for the year to 23.98 million tonnes; it is up 33% from last year. Crush report released by National Oilseed Processors Association was bit bearish. NOPA estimated the soybean crush in November at 144.9 million bushels against earlier trade expectations of 147-150 million bushels. Stock of soyoil is rising as well despite low scaled crushing. Crush report revealed stock of soyoil at November end at 1.61 billion pounds up against 1.5 billion pounds in October.

CPO Futures at BMD Settle Mostly Down

Crude Palm oil futures at Bursa Malaysia Derivatives settled mostly lower on Thursday. Benchmark February future settled off MYR2 at MYR1395 per ton. Palm oil market is already burdened with rising stock; unfriendly export data had additional bearish impact on the market. Cargo Surveyors, SGS estimated the MPO export at 504,488 ton, down 5% on month basis. There were talks that production of palm oil might not decline in Malaysia. Rather traders are expecting production of palm oil to increase in December.

BMD: CPO Futures (15.12.2005)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan '06	1390	1385	1387	1381	1386	-4	299
Feb '06	1397	1395	1395	1388	1395	-2	2271
Mar '06	1399	1393	1400	1393	1399	0	1474
Apr '06	1401	1398	1400	1398	1400	-1	130
May '06	1405	1405	1405	1405	1405	0	19

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were lacklustre. Palm oil prices were likely unchanged in most of the markets. There is no news right now to push the market sentiments. Market sentiments are expected to move range bound with weak sentiments.

FOB prices of CPO (December) were last quoted at \$ 352.50 per tonne and RBD Palmolein at \$ 382.50 per tonne.

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

Centres	15.12.05	14.12.05	Change
Kandla CPO (5 % FFA)	336	337	-1
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	371	372	-1
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 remains range bound with weak sentiments. Total arrivals of soybeans were 1,50,000, 50,000 and 40,000 bags (1 bags= 85 kg) in

Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 12000 bags only. January soy oil prices were settled lower in NCDEX and NBOT. January palm oil prices were settled down in KLCE. The above-mentioned factors are cause to bearish market sentiments. Market sentiments are expected to move range bound with weak sentiments..

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 \$ 500 per tonne.

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

Centres	15.12.05	14.12.05	Change
Mumbai (Soy Ref oil)	358	359	-1
Indore (Soy Ref oil)	339	340	-1
Indore (Solvent Ex. oil)+VAT	317	317	0
Kota (Soy Ref. Oil)	345	345	0
Jaipur (Soy Ref. Oil)	348	348	0
Nagpur (Soy ref. Oil)	343	345	0

Rape/Mustard oil

Domestic market prices of mustard oil range bound with weak sentiments. Low prices of soy oil are bringing negative impact on mustard oil prices. There is direct relationship of mustard oil and soybean oil. 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. Spot market prices at Jaipur were quoted Rs 1700/ctl. 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. 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	15.12.05	14.12.05	Change
Mumbai (Rape Expeller Oil)	372	374	-2
Kota (Rape Expeller Oil)	355	355	0
Jaipur (Rape Expeller Oil)	360	360	0
Delhi (Rape Expeller Oil)	380	382	-2
Neewai (Kacchi Ghani Rape Oil)	370	371	-1

Groundnut oil

Domestic market prices of groundnut oil were lacklustre in most of the markets. GN oil prices are slightly increased in Andhra region only due to poor supply for time being. GN oil prices in Andhra are expected to come down by tomorrow. There were low buying demands of GN oil at retail ends. Arrivals of groundnut in Gujarat were at 1.30 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	15.12.05	14.12.05	Change
Mumbai	445	448	-3
Rajkot	448	450	-2
Andhra Region	450	445	+5
Chennai	445	445	0

Sunflower Oil

Spot market prices of Sunflower oil were slightly declined in Chennai market only because the import of sunflower oil is arrived about 16450 MT at Chennai port. 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	15.12.05	14.12.05	Change
Mumbai	432	432	0
Chennai	472	475	-3

NBOT Soy oil futures as on 15.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	340.50	N.A	341.00	N.A	341.00	+0.50	340.50
Jan '06	347.40	346.50	347.40	345.80	346.10	-1.30	347.40
Feb'06	351.30	350.50	350.50	349.20	349.20	-2.10	351.30

NCDEX Soy oil futures as on 15.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	342.05	341.50	341.50	340.35	340.45	2160	8220
Jan 06	348.05	347.50	348.20	346.15	346.65	6070	16410
Feb'06	352.15	351.50	352.00	350.40	351.10	2840	8790

LATEST WEATHER WATCH (15.12.2005)

Forecast valid for next 72 hours

NORTH: Mainly dry weather over rest of the region.

EAST: Weather will be mainly dry over the region.

SOUTH: Isolated over Tamil Nadu & Pondicherry, Kerala and Lakshadweep. Weather will be mainly dry over the rest region. Weather activity over Tamil Nadu is likely to increase from 16th evening.

WEST: Mainly dry weather over the region.

Warning

Isolated heavy rainfall may occur over Tamilnadu on 17th and 18th.

Source: IMD, GOI

Forex Rates (As on 15.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.50
European Union	Euro	54.49
United Kingdom	Pound Sterling	81.59
Japan	100 Yen	38.82
Malaysia	Ringgit	12.02

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.

Mumbai Port is expecting 'Bumik' and 'Nolowati' to deliver 4,103 MT and 10,000 MT of palm oil respectively. These vessels will be handled by InterOcean and 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.

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	Expected
	Nolowati	10000	Palm Oil	Expected

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