

VEGOIL

December 19, 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Marginally Up
- NCDEX January Soy Oil Settle slightly Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD is moving upward and crossed its signal line, which indicates bullish sentiments.
2. %K line is moving upwards crossed %D line from below in neutral region, which indicates bullish market sentiments.
3. Close below 9 days and 18 days EMA indicates medium term bearish trend.

Most of the indicators are showing bullish market sentiments.

Market Advice: As the prices have reached the levels from where it has retreated earlier. It will be interesting to see if the prices could sustain the higher levels. Though the indicators are supporting the higher prices some tentativeness could be witnessed. Penetration of first resistance will trigger the prices further, prior to that caution is needed.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	348.30	347.50	350.90	351.60

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: remains closed on Saturday and Sunday

CBOT Soy oil futures as 16.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	21.40	21.51	21.73	21.25	21.30	-0.10
Mar '06	21.69	21.90	22.07	21.52	21.56	-0.13
May'06	22.00	22.10	22.35	21.87	21.87	-0.13
Jul '06	22.31	22.47	22.65	22.20	22.20	-0.11
Aug'06	22.43	22.70	22.70	22.32	22.32	-0.11
Sep'06	22.53	22.65	22.65	22.42	22.42	-0.11
Oct '06	22.60	22.90	23.00	22.55	22.55	-0.05
Dec'06	22.87	23.15	23.25	22.75	22.78	-0.09

CBOT remains closed on Saturday and Sunday.

Crude Palm Oil Futures at BMD Settle Marginally Up

Crude Palm oil futures at Bursa Malaysia Derivatives settled marginally up amidst dearth of fresh fundamental news. Benchmark March future settled up MYR4 at MYR1405 per ton. Optimism still stands that seasonal decline in its production will put misbalancing in stocks to rights early next year. Presently, MPO stock is bit burdensome and there have been talks that production in December might remain up contrary to its traditional production cycle. Further, traders are expecting fresh leads from the export figures for December 1-20 to be released by cargo surveyors on Tuesday.

BMD: CPO Futures (19.12.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan '06	1390	1391	1391	1382	1390	0	169
Feb '06	1396	1397	1398	1388	1398	+2	1140
Mar '06	1401	1402	1405	1392	1405	+4	1922
Apr '06	1403	1405	1405	1398	1405	+2	148
May '06	1407	1405	1405	1405	1405	-2	5

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were likely remain unchanged. Palm oil prices were likely unchanged in most of the markets. There is low demand of palm oil because the abundant availability of soybean oil at low prices in the market. There was no news to push the market sentiments. Presently, MPO stock is bit burdensome and there have been talks that production in December might remain up contrary to its traditional production cycle. Trader are waiting the report of 1-20 December which is going to be released on Tuesday by SGS (Malaysia). Market sentiments are expected to move range bound.

FOB prices of CPO (January) were last quoted at \$ 357.50 per tonne and RBD Palmolein at \$ 385 per tonne.

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

Centres	19.12.05	17.12.05	Change
Kandla CPO (5 % FFA)	337	338	-1
Kandla RBD Palmolein	360	360	0
Mumbai RBD Palmolein	370	370	0
Chennai RBD Palmolein (Ruchi)	375	375	0
Chennai RBD Palmolein (MRaja)	380	380	0
Kakinada RBD Palmolein	372	372	0

Soy oil

Today domestic soy oil prices went up marginally. Due to increasing demands of soy oil and low arrivals of soybean in most of the markets. Total arrivals of soybeans were 1,00,000, 40,000-45,000 and 50,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 8000-10000 bags only. January soy oil prices were settled up in NCDEX and NBOT. The above-mentioned factors were the cause of slightly bullish market sentiments. Market sentiments are expected to move range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 331 per 10 kg. CNF prices for soy degum (January Shipment) at Kandla were quoted at \$ 495 per tonne.

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

Centres	19.12.05	17.12.05	Change
Mumbai (Soy Ref oil)	360	358	+2
Indore (Soy Ref oil)	342	339	+3
Indore (Solvent Ex. oil)+VAT	317	315	+2
Kota (Soy Ref. Oil)	348	346	+2
Jaipur (Soy Ref. Oil)	352	350	+2
Nagpur (Soy ref. Oil)	346	344	+2

Rape/Mustard oil

Today domestic prices of mustard oil are slightly improved. Government is planning to intervene in order to check distressed selling of mustard seed in spot markets. According to unofficial sources, Nafed is going to hold off selling its stock in open markets from January 1st, 2006. In order to dispose its stock, Nafed is planning to get its seed crushed by private plants and will be selling that mustard oil directly to the retail sector. So, this will further help Nafed to start procurement of rapeseed timely in the coming season. This in turn will help improving sentiments of rapeseed in near term.

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

Centres	19.12.05	17.12.05	Change
Mumbai (Rape Expeller Oil)	370	369	+1
Kota (Rape Expeller Oil)	357	355	+2
Jaipur (Rape Expeller Oil)	362	359	+3
Delhi (Rape Expeller Oil)	383	380	+3
Neewai (Kacchi Ghani Rape Oil)	374	371	+3

Groundnut oil

Domestic market prices of groundnut oil were unchanged except Rajkot, Gujarat in most of the markets. There were more demands of GN oil at retail ends in Gujarat markets. Arrivals of groundnut in Gujarat were at 1.00 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. GN oil prices in Gujarat are expected to improve further.

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

Centres	19.12.05	17.12.05	Change
Mumbai	342	442	0
Rajkot	456	447	+9
Andhra Region	445	445	0
Chennai	445	445	0

Sunflower Oil

Spot market prices of Sunflower oil were lackluster. Major producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. January CIF prices for sunflower oil at Kandla port were US \$ 571/ton. Sunflower area of Rabi crop is down by -0.31% as compared to previous year from 11.14 to 10.83. Sunflower oil prices are expected to move range bound.

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

Markets	19.12.05	17.12.05	Change
Mumbai	432	431	+1
Chennai	475	475	0

NBOT Soy oil futures as on 19.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	346.50	347.90	349.20	347.50	349.00	+2.50	24580
Feb'06	350.20	351.50	352.80	351.30	352.70	+2.50	1160

NCDEX Soy oil futures as on 19.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec 05	341.50	342.00	344.75	342.00	344.50	2000	5800
Jan 06	347.50	348.50	349.95	347.80	349.90	4600	16680
Feb'06	351.00	352.10	353.45	351.50	353.00	N.A	11680

LATEST WEATHER WATCH (19.12.2005)

Forecast valid for next 72 hours

NORTH: Rain/snow likely at a few places over of Jammu & Kashmir, Himachal Pradesh and Uttaranchal from 20th.

Isolated to scattered Rain/Thundershower are also likely over Punjab & Haryana on 21st & 22nd. **Mainly dry** weather over the region.

EAST: Isolated rain/thundershowers likely at a few places over coastal Orissa and **Isolated** over coastal Gangetic West Bengal. Weather will be **mainly dry** over the region.

SOUTH: Rain/thundershowers likely at most places over north coastal Tamil Nadu & Pondicherry, south coastal Andhra Pradesh; at many places over north coastal Andhra Pradesh; at a few places over rest Tamil Nadu, Rayalaseema & Telangana: at **Isolated places** in the rest region outside Lakshadweep and coastal Karnataka where weather will be **Mainly dry**.

WEST: Isolated rain

Source: IMD, GOI

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

Forex Rates (As on 19.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.24
European Union	Euro	54.37
United Kingdom	Pound Sterling	80.15
Japan	100 Yen	38.86
Malaysia	Ringgit	11.93

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