

VEGOIL

December 03, 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Higher

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD returned after making bearish crossover with its signal line and is pointing upward, which negates the bearish trend.
2. %K line is crossed %D line from below in Oversold region which indicates possibility of trend reversal.
3. Close below 9 days EMA and 18 days EMA shows bearish market sentiments.

Market Advice: The market may open firm in beginning and it may decline later on.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	347.60	347.00	349.50	350.70

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 Higher

Soy futures at Chicago Board of Trade settled higher on Friday. Talks of probable allocation of larger percentage of commodity funds to soybean and grains by index funds triggered short covering in soy. January soybean future settled up 3 cents at \$5.6275 and March up 2.5 cents at \$5.705 per bushel. March Soymeal closed up \$0.9 at \$174.8 per short ton and March soybean oil up 25 points at 21.91 cents per pound. Immediate bearish fundamentals helped limiting gains. Export of soybean has been slowed due to aggravated concern over bird flu in Asia. Weather is also favorable for fieldwork in South America, where planting of soy is in progress.

CBOT Soy oil futures as 02.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	21.04	21.02	21.29	21.02	21.29	+0.25
Jan'06	21.27	21.27	21.60	21.27	21.56	+0.29
Mar'06	21.66	21.68	21.93	21.66	21.91	+0.25
May'06	21.96	21.98	22.20	21.98	22.20	+0.24
Jul'06	22.25	22.30	22.52	22.28	22.52	+0.27
Aug'06	22.37	22.49	22.60	22.44	22.60	+0.23

CBOT remains closed on Saturday and Sunday.

South American Soybean Settles Higher

South American Soybean settled higher on Friday. March South American soybean settled 2.5 cents higher at \$5.995 per bushel. Weather at present is favorable for fieldwork. Traders fear that usage of inputs (fertilizers and other supplements) has been below normal due to lack of optimum funds. Brazil government will be releasing its crop estimates on Tuesday. In its October report, government had estimated the soybean production at 58.5 million ton. Continued chicken stories from Asian nations have put cap on northwardly dispositions.

BMD : Remains closed on Saturday and Sunday

BMD: CPO Futures (02.12.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1384	1382	1396	1381	1392	+8	248
Jan '06	1386	1387	1399	1382	1395	+9	461
Feb '06	1387	1386	1400	1382	1397	+10	2805
Mar '06	1388	1390	1400	1383	1398	+10	375
Apr '06	1389	1384	1384	1383	1383	-6	15

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were unchanged except Chennai market. Palm oil prices at Chennai market marginally improved due to Friday's heavy rain. Malaysian Palm oil export during November 2005 totaled at 1.03 million ton, down against 1.24 million ton of export in October 2005, it is down by 16.78 per cent. India imported 37,250 metric ton in November 2005 as compared to 44,753 metric ton of October 2005. FOB prices of CPO (December) are also declined. Palm oil prices are expected range bound.

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

Centres	03.12.05	02.12.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	359	359	0
Mumbai RBD Palmolein	374	374	0
Chennai RBD Palmolein	377	375	+2
Kakinada RBD Palmolein	375	375	0

Soy oil

Domestic spot markets of soy oil prices were lacklustre. Total arrivals of soybeans were 1.50 -1.75 lakh, 1.00 lakh and 1.00 lakh bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 7000-8000 bags only. There were low buying demands of soy oil at retail end. December soy oil prices marginally declined at NCDEX and NBOT. Oil seeds acreage for Rabi crop estimate revised higher about 3.88 per cent as compared to previous year.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 334 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 505 per tonne.

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

Centres	03.12.05	02.12.05	Change
Mumbai (Soy Ref oil)	363	362	0
Indore (Soy Ref oil)	344	344	0
Indore (Solvent Ex. oil)+VAT	318	317	+1
Kota (Soy Ref. Oil)	350	350	0
Jaipur (Soy Ref. Oil)	353	355	-2
Nagpur (Soy ref. Oil)	344	344	0

Rape/Mustard oil

Domestic market sentiments of mustard oil marginally declined in most of the markets amidst low buying demands at retail ends. Mustard seed prices are marginally declined due to huge stock of mustard seeds with NAFED and private stockist. Sowing acreage of mustard is increased as compared to last two years. February mustard seeds prices were closed lower at the end of the day in Delhi and Hapur market (at exchange). Consumers are shifting towards soy oil and palm oil from mustard oil only because these oils are cheaper than mustard oil. There is news of mixing rice

bran oil in mustard oil may be another cause to declining demand of mustard oil. Market sentiments of mustard oil prices are expected to weak due to above-mentioned factors.

Spot Market Price (Rs. per 10 kg)

Centres	03.12.05	02.12.05	Change
Mumbai (Rape Expeller Oil)	382	383	-1
Kota (Rape Expeller Oil)	362	364	-2
Jaipur (Rape Expeller Oil)	365	368	-3
Delhi (Rape Expeller Oil)	372	372	0
Neewai (Kacchi Ghani Rape Oil)	376	376	0

Groundnut oil

Domestic spot markets prices of groundnut oil were range bound. The GN oil prices bit improved in Chennai market due to Friday's heavy rainfall in Chennai. Friday's heavy rain would bring negative impact on harvesting of groundnut and arrivals of the same. Therefore, GN oil prices may firm in Chennai market. Arrivals of groundnut in Gujarat were remains at 1.35 - 1.40 lakh bags (1 bag=35 kg). Market sentiment of Chennai is expected to improve due to above-mentioned factors. GN oil prices of Mumbai and Rajkot market is expected to range bound.

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

Centres	03.12.05	02.12.05	Change
Mumbai	458	457	+1
Rajkot	459	460	-1
Andhra Region	460	460	0
Chennai	450	445	+5

NBOT Soy oil futures as on 03.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	346.9	347.3	347.6	346	346.00	-0.9	7880
Jan '06	354.1	354.1	354.8	353.3	353.3	-0.8	6440

NCDEX Soy oil futures as on 03.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	348.30	348.90	349.10	347.75	347.75	2180	18310
Jan 06	354.50	355.20	355.50	354.00	354.00	1390	12440

LATEST WEATHER WATCH (03.12.2005)

Forecast valid for next 72 hours

NORTH: Mainly dry weather is likely over the region.

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers likely at many places over north Tamil Nadu, Coastal Andhra Pradesh, Rayalaseema, South Interior Karnataka and Andaman & Nicobar Islands at a few places over North Interior Karnataka, south Tamil Nadu, Kerala and Lakshadweep and isolated over the rest region.

WEST: Isolated Rain/thundershowers likely over Konkan & Goa and Vidarbha. Mainly dry weather over the rest region.

Warning

Isolated heavy rainfall likely over Andaman & Nicobar Islands, north Tamil Nadu & Pondicherry, south Andhra Pradesh and South Interior Karnataka.

Source: IMD, GOI

PORT-WATCH (Latest):

'Olympic' from Belawan has berthed at Kandla Port and continues to deliver 7,500 MT of CPO. Interocean agents is handling the vessel. 'Jian She 35' from Malaysia is expected at Kandla Port to deliver 6,000 MT of CPO. The vessel is being handled by Taurus agents.

'Padang Halaban' has berthed at Kakkinada Port and continues to discharge 6,000 MT of CPO at the port. Kakkinada Port is expecting 'Ace I' and 'Istana VI' to deliver 6,000 MT and 5,000 MT of CPO respectively.

Kolkatta Port is receiving 4,500 MT of CPO from the vessel 'Team Ace'. The vessel is being handled by Atlantic agents. Delivery of 10,000 MT of SBO is continuing at Kolkata Port from the vessel 'Gulf Dove'. PBSA agents are handling the vessel.

'Tirta Niaga 2' and 'Monor Jackson' are expected at Chennai Port to deliver 2,780 MT and 6,000 MT of palm oil respectively. Interocean and Seaport agents will be handling these vessels.

Delivery of 5,045 MT of palm oil is expected at Mumbai Port from the vessel 'Global Trader' shortly. Canopus agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kakkinada	Padang Halaban	6000	CPO	Arrived
	Ace 1	6000	CPO	Expected
	Istana VI	5000	CPO	Expected
Kolkata	Team Ace	4500	CPO	Arrived
	Gulf Dove	10000	SBO	Arrived
Kandla	West Gold	8480	CPO	Arrived
	Olympic	7500	CPO	Arrived
	Jian She 35	6000	CPO	Expected
Chennai	Tirta Niaga 2	2780	Palm Oil	Expected
	Monor Jackson	6000	Palm Oil	Expected
Mumbai	Global Trader	5045	Palm Oil	Expected

Forex Rates**(As on 03.12.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.12
European Union	Euro	54.08
United Kingdom	Pound Sterling	79.79
Japan	100 Yen	38.25
Malaysia	Ringgit	12.21

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