

VEGOIL

December 07, 2005

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Looks For Directions
- CBOT Soy Futures Settle Slightly Lower

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD is moving downwards below signal line and has deviated sharply from it, which is indicating medium term bearish sentiments.
2. %K line moving downwards below %D line in the oversold region, which indicates bearish sentiments.
3. Close far below 9 days and 18 days EMA, which shows bearish market sentiments.
4. Candlestick has form a Marubozu pattern indicating strong bearishness in the market.

Market Advice: The market is expected to open slightly firm and remain bearish later on.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	341.00	340.00	344.00	346.00

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 Slightly Lower

Soy future settled down at Chicago Board of Trade on Tuesday. January soybean settled lower 9.25 cents at \$ 5.64 per bushel, it is 9.5 cents off the high and 2.5 cents up from the low and March soybeans finished down 8.5 cents at \$ 5.71 per bushel, 3 cents up from the low and 8.5 cents off the high. March Soybean Oil settled down \$ 0.7 at \$ 175.7/ton, it was \$ 0.9 up from the low and \$ 1.8 off the high. March Soybean Oil settled lower 0.58 cents at 21.66 cents/pounds, 0.46 cents off the high and 0.06 cents up from the low. Export perspectives of US soybean have been dampened due to increasing stories of bird flu in Asia. Traders are expecting likely increase in US stock in forthcoming monthly report of USDA. The US Department of Agriculture will be releasing its monthly report on Friday. Official crop report released by Brazil government revealed soybean production there remained more or less unchanged versus their estimates last month. Brazil government put its estimates for soybean production in the country in 2005-06 at 57.3 -58.5 million ton against their previous estimates of 57.3-58.6 million ton.

CBOT Soy oil futures as 06.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	21.66	21.62	21.63	21.03	21.05	-0.61
Jan'06	21.91	21.80	21.80	21.27	21.33	-0.58
Mar'06	22.24	22.12	22.12	21.60	21.66	-0.58
May'06	22.54	22.40	22.40	21.90	21.95	-0.59
Jul'06	22.79	22.70	22.70	22.20	22.24	-0.55
Aug'06	22.87	22.83	22.83	22.35	22.35	-0.52
Sep'06	22.96	22.95	22.95	22.45	22.45	-0.51
Oct'06	23.08	23.00	23.00	22.60	22.60	-0.48

CBOT remains closed on Saturday and Sunday.

South American Soy Futures Settled Higher

South American soybean settled higher on yesterday's session. March South American soybeans settled up 9.75 cents higher at \$ 6.11/bushel. March Soybeans future prices were in oversold region, it has taken technical corrections. The export demands of South American soybean is increasing due to decent weather for soybean crops in South America. Traders' attentions are shifting towards South American soybeans from US soybean. Official crop report released by Brazil government revealed soybean production there remained more or less unchanged versus their estimates last month. Brazil government put its estimates for soybean production in the country in 2005-06 at 57.3 -58.5 million ton against their previous estimates of 57.3-58.6 million ton. Traders are expecting likely increase in US stock in forthcoming

monthly report of USDA. The US Department of Agriculture will be releasing its monthly report on Friday.

CPO Futures at BMD Looks For Direction

Crude Palm oil futures at Bursa Malaysia Derivatives settled mostly unchanged on Wednesday. Benchmark February future settled unchanged at MYR1413 per ton. Futures moved either side of unchanged level amidst lack of fresh direction. Traders are waiting for couple of important data releases. Malaysian Palm Oil Board (MPOB) will be releasing its production and stock data next week, while US Department of Agriculture (USDA) will release its monthly crop data this Friday. Traders are not expecting any magic number out of these reports. Majority believes that these reports most likely will have bearish impact on markets.

BMD: CPO Futures (07.12.2005)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Dec '05	1404	1400	1400	1398	1399	-5	115
Jan '06	1412	1403	1413	1403	1410	-2	556
Feb '06	1413	1406	1416	1405	1413	0	2746
Mar '06	1414	1407	1415	1405	1414	0	496
Apr '06	1415	N.A	N.A	N.A	N.A	0	3

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market range bound amidst low buying demand at retail ends. Traders are waiting for production and stock data by Malaysian Palm Oil Board (MPOB), it is going to release in next week. Department of Agriculture (USDA) will release its monthly crop data on coming Friday. Majority believes that these reports most likely will have bearish impact on markets.

FOB prices of CPO (December) were last quoted at \$ 355 per tonne and RBD Palmolein at \$ 390 per tonne.

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

Centres	07.12.05	06.12.05	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	359	359	0
Mumbai RBD Palmolein	373	374	-1
Chennai RBD Palmolein	377	378	-1
Kakinada RBD Palmolein	375	376	-1

Soy oil

Domestic spot market prices of soy oil are declined today. Arrivals of soybeans are good in major markets. Total arrivals of soybeans were 1.25 -1.50 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. December soy oil prices are settled down in NCDEX and NBOT. December palm oil futures are also settled slightly lower in KLCE. CBOT December soy future were settled

down on Tuesday. The above-mentioned factors helped to bring bearish market sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 332 per 10 kg. CNF prices for soy degum (December Shipment) at Kandla were quoted at \$ 506 per tonne.

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

Centres	07.12.05	06.12.05	Change
Mumbai (Soy Ref oil)	360	363	-3
Indore (Soy Ref oil)	341	343	-2
Indore (Solvent Ex. oil)+VAT	317	317	0
Kota (Soy Ref. Oil)	345	348	-3
Jaipur (Soy Ref. Oil)	348	352	-4
Nagpur (Soy ref. Oil)	342	344	-2

Rape/Mustard oil

Domestic market sentiments of mustard oil range bound amidst low buying demand at retail ends in most of the markets except Delhi. There were more buying demands in Delhi market at retail ends. According to local tradres, mustard oil prices are marginally high in Delhi market due to winter season because vanaspati ghee 's solidify in this season. Mustard oil is convenient to use in this season as compared to vanaspati ghee. Sentiments of mustard oil prices are expected to move range bound.

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

Centres	07.12.05	06.12.05	Change
Mumbai (Rape Expeller Oil)	378	383	-5
Kota (Rape Expeller Oil)	358	360	-2
Jaipur (Rape Expeller Oil)	362	365	-3
Delhi (Rape Expeller Oil)	384	380	+4
Neewai (Kacchi Ghani Rape Oil)	372	373	-1

Groundnut oil

Domestic spot markets prices of groundnut oil slightly declined due to low buying demands at retail ends. Arrivals of groundnut in Gujarat were continued at 1.35 - 1.40 lakh bags (1 bag=35 kg). Harvesting of groundnut is likely over in Gujarat. Harvesting of groundnut is started in Andhra and Chennai. GN oil prices are expected to move range bound with weak sentiments.

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

Centres	07.12.05	06.12.05	Change
Mumbai	454	457	-3
Rajkot	450	458	-8
Andhra Region	455	455	0
Chennai	450	450	0

Sunflower Oil

Spot market prices of Sunflower oil range bound. Harvesting pressure of GN crop in Tamil Nadu, may cause to weak markets sentiments for sunflower in Chennai market. Major producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. CIF prices for sunflower oil at Kandla port were US \$ 566/ton. Sunflower oil prices are expected to move range bound.

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

Markets	07.12.05	06.12.05	Change
Mumbai	440	440	0
Chennai	479	480	-1

NBOT Soy oil futures as on 07.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	344.80	342.50	342.50	341.30	341.40	-3.4	7700
Jan '06	352.80	350.30	350.60	348.70	348.90	-3.9	14830

NCDEX Soy oil futures as on 07.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	346.30	345.15	345.15	342.05	342.10	4960	15170
Jan 06	353.95	353.30	353.30	349.10	349.20	4840	15210

LATEST WEATHER WATCH (07.12.2005)

Forecast valid for next 72 hours

NORTH: Mainly dry weather is likely over the region. However isolated rain/snow likely over Jammu & Kashmir from 9th.

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands and at a few places over Lakshadweep. Mainly dry weather in the rest region. Scattered rainfall likely to commence over Coastal Tamil Nadu & Pondicherry and south Coastal Andhra Pradesh from 8th evening which will increase subsequently.

WEST: Mainly dry weather over the region.

Warning

1. Isolated heavy rain commence over Coastal Tamil Nadu and south Coastal Andhra Pradesh from 8th evening.

2. Strong winds with speed reaching 50-60 Km/h and rough to very rough sea conditions are likely along & off above coasts around the same time. Fishermen are advised not to venture into the sea over these areas.

Source: IMD, GOI

PORT-WATCH (Latest):

'MMM Jackson' has berthed at Chennai Port and continues to deliver 5,900 MT of palm oil. Seaport agents is handling the vessel. 'MMM Houston' is expected at Chennai Port to deliver 3,500 MT of palm oil. JM Baxi agents will be handling these vessels. Delivery of 15,250 MT of SBO is expected at the port from the vessel 'Montana Star'. The vessel will be handled by JM Baxi agents.

Kakkinada Port is receiving 5,000 MT of CPO from the vessel 'Istana VI'.

Delivery of 5,045 MT of palm oil is continuing at Mumbai Port from the vessel 'Global Trader'. Canopus agents is handling the vessel. The port is expecting 'Isokaze' to deliver 3,500 MT of palm oil. The vessel will be handled by Interocean agents.

'Jian She 35' from Malaysia has berthed at Kandla Port and continues to deliver 8,000 MT of CPO. The vessel is being handled by Taurus agents.

Kolkatta Port is receiving 4,500 MT of CPO from the vessel 'Team Ace'. The vessel is being handled by Atlantic agents.

'Spring Glory' is expected at Tuticorin Port to discharge 7,000 MT of palm oil. St.John agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kakkinada	Istana VI	5000	CPO	Arrived
Kolkata	Team Ace	4500	CPO	Arrived
	Filma Satu	5000	CPO	Arrived
Kandla	Jian She 35	8000	CPO	Arrived
Chennai	Montana Star	15250	SBO	Expected
	MMM Houston	3500	Palm Oil	Expected
	MMM Jackson	5900	Palm Oil	Arrived
Mumbai	Global Trader	5045	Palm Oil	Arrived
	Iso kaze	3500	Palm Oil	Expected
Tuticorin	Spring Glory	7000	Palm Oil	Expected

Forex Rates

(As on 07.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.17
European Union	Euro	54.35
United Kingdom	Pound Sterling	80.21
Japan	100 Yen	38.13
Malaysia	Ringgit	12.23

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