

VEGOIL

December 10, 2005

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Mixed
- NCDEX December Soy Ref. Futures Prices Settle Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX December Contract

Technical Analysis for December Contract:

1. The MACD has turned flat in the negative territory; there is no sign of reversal from this indicator.
2. %K line has just turned upwards after making bullish crossover with %D line and heading towards neutral region supporting the bullish sentiments in the market.
3. Close far below 9 days and 18 days EMA, which shows bearish market sentiments.
4. Candlesticks has formed bullish engulfing pattern indication strength in the market.

Market Advice: Market is expected to remain bullish, however, one should remain prepared for some volatile movements during the day. Remain long with caution.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Dec '05	340.20	339.00	344.50	345.20

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 futures at Chicago Board of Trade settled mixed on Friday. Market candidly ignored the USDA's bearish stock numbers. January soybean future settled up 2 cents at \$5.6875 and March up 3 cents at \$5.785 per short ton. March soy meal settled \$2.1 at \$181.7 per short ton and March soy oil off 3 points at 21.24 cents per pound. There was nothing out of the blue from the USDA report. Upward revision in soybean stock was earlier expected and this presumably had already been factored. The US Department of Agriculture put ending stock of US soybean for year 2005-06 at 11.02 million ton against its previous estimates of 9.52 million ton. Production of soy for South American countries was kept unchanged.

CBOT Soy oil futures as 09.12.2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Close	Change
Dec'05	20.97	20.75	20.76	20.62	20.70	-0.27
Jan'06	21.22	20.95	21.01	20.78	20.87	-0.35
Mar'06	21.54	21.25	21.35	21.13	21.24	-0.30
May'06	21.84	21.65	21.68	21.50	21.59	-0.25
Jul'06	22.14	22.00	22.00	21.78	21.91	-0.23
Aug'06	22.27	22.05	22.05	21.95	22.03	-0.24
Sep'06	22.39	22.15	22.20	22.11	22.15	-0.24
Oct'06	22.48	22.30	22.30	22.20	22.25	-0.23

CBOT remains closed on Saturday and Sunday.

South American Soy Futures Settled Marginally Up

South American soybean future settled up on Friday session. March South American soybean future settled up 9 cents at \$ 6.075 per bushel. There were news that China is planning to buy South American Soybean. Monthly report on World Agricultural Supply and Demand Estimates by US Department of Agriculture released on December 9, 2005, which revealed the bearish market sentiments. World ending stocks for soybeans for the 2005/2006 seasons were revised higher at 48.11 million tonnes from 46.75 million tonnes last month and from 42.09 million tonnes this past season. The improving export demand of Soybean and increasing fund buying might be helpful to improve the market sentiments. There were rumors that China is planning to buy 1-2 cargoes of US soybeans and strong export sales for soybeans and products. China imported 523,000 tonnes US soybean last week. The above-mentioned factors helped to boost prices of South American Soybeans. Export demand and buying funds were higher for Soy meal. However, soybean oil stocks were pegged at 2.329 billion pounds from 1.891 last month and 1.699 billion last year. The ending stocks of soy oil were increased only due to increased oil extraction

percentage. Increasing stocks of soy oil shows bearish market sentiments for soy oil.

BMD: remains closed on Saturday and Sunday

BMD: CPO Futures (09.12.2005) (Ringgit/ton)						
Months	Previous	Open	High	Low	Close	Change
Dec '05	1396	1396	1399	1393	1399	+3
Jan '06	1408	1408	1412	1403	1409	+1
Feb '06	1410	1408	1414	1404	1411	+1
Mar '06	1411	1411	1415	1405	1413	+2
Apr '06	1412	1408	1415	1408	1415	+3

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at domestic spot market were lacklustre. Traders are waiting for production and stock data by Malaysian Palm Oil Board (MPOB), it is going to release in next week. Traders are waiting of that reports. US Department of Agriculture released on December 9, 2005, which revealed bearish sentiments. Market sentiments are expected to move range bound.

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

Centres	10.12.05	09.12.05	Change
Kandla CPO (5 % FFA)	337	337	0
Kandla RBD Palmolein	360	359	+1
Mumbai RBD Palmolein	Closed	373	-
Chennai RBD Palmolein	377	375	+2
Kakinada RBD Palmolein	374	374	0

Soy oil

Domestic spot market prices of soy oil are slightly increased in most of the markets. Total arrivals of soybeans were 1,00,000, 50,000 and 65,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra and Rajasthan mandies respectively. Arrivals of soybean in Kota mandi were 8000-10000 bags only. December soy oil prices were settled higher in NCDEX and NBOT. Market sentiments is expected to move range bound with positive 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 \$ 497 per tonne.

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

Centres	10.12.05	09.12.05	Change
Mumbai (Soy Ref oil)	359	359	0
Indore (Soy Ref oil)	339	337	+2
Indore (Solvent Ex. oil)+VAT	313	313	0
Kota (Soy Ref. Oil)	343	342	+1
Jaipur (Soy Ref. Oil)	346	344	+2
Nagpur (Soy ref. Oil)	342	341	+1

Rape/Mustard oil

Domestic market prices of mustard oil range bound with positive sentiments amidst increasing buying demand at retail ends in most of the markets. Mustard oil prices are slightly increased due to bit improvement of soyoil prices at spot market as well as Soy future prices in NCDEX and NBOT. 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. Mustard seed rate were Rs1660/qrtl, Rs 1710/qrtl, Rs.1650/ qrtl in Kota, Jaipur and Neewai respectively. Market sentiments of mustard oil prices are expected to move range bound with positive sentiments.

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

Centres	10.12.05	09.12.05	Change
Mumbai (Rape Expeller Oil)	Closed	376	-
Kota (Rape Expeller Oil)	360	355	+5
Jaipur (Rape Expeller Oil)	364	358	+6
Delhi (Rape Expeller Oil)	381	380	+1
Neewai (Kacchi Ghani Rape Oil)	372	371	+1

Groundnut oil

Domestic market prices of Groundnut oil were lacklustre. There are low buying demands of GN oil at retail ends. Arrivals of groundnut in Gujarat were at 1.25 - 1.30 lakh bags (1 bag=35 kg). 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	10.12.05	09.12.05	Change
Mumbai	Closed	451	-
Rajkot	450	452	-2
Andhra Region	450	450	0
Chennai	445	445	0

Sunflower Oil

Spot market prices of Sunflower oil range bound. Major producing states of sunflower oil in India are Maharashtra, Karnataka and Andhra Pradesh. CIF prices for sunflower oil at Kandla port were US \$ 568/ton. Sunflower oil prices are expected to move range bound.

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

Markets	10.12.05	09.12.05	Change
Mumbai	Closed	441	-
Chennai	478	477	+1

NBOT Soy oil futures as on 10.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Dec 05	338.10	337.80	340.80	337.80	340.80	+2.70	3510
Jan '06	345.50	344.40	348.20	344.40	348.00	+2.50	22060

NCDEX Soy oil futures as on 10.12.2005 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Dec'05	339.35	339.00	342.60	338.70	342.30	1670	12660
Jan 06	346.65	345.20	349.30	345.00	349.20	3150	15370

LATEST WEATHER WATCH (10.12.2005)

Forecast valid for next 72 hours

NORTH: Isolated rain/snow likely over Jammu & Kashmir for next 24 hrs.. Mainly dry weather is likely over the rest region.

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers likely at many places over Tamil Nadu & Pondicherry and Nicobar Islands; at a few places over Andaman Islands, Rayalaseema, south Interior Karnataka, Kerala and Lakshadweep and isolated over south coastal Andhra Pradesh and south Coastal Karnataka. Mainly dry weather in the rest region. Rainfall activity is likely to decrease over Tamil Nadu after 24 hrs. and increase over Kerala and Lakshadweep.

WEST: Mainly dry weather over the region.

Warning

1. Isolated heavy to very heavy falls are likely over Tamil Nadu & Pondicherry . Isolated heavy falls also likely over Nicobar Islands, Kerala and Lakshadweep.

2. Squally winds speed reaching 50-60 kmph are likely along and off Tamil Nadu coast between Tondi and Pondicherry during next 12 hours. State of the sea will be rough to very rough along and off Tamilnadu coast during the same period. Fishermen along the above coasts are advised not to venture into the sea during next 12 hrs.

Source: IMD, GOI

PORT-WATCH (Latest):

'MMM Houston' is continuing the delivery of 3,500 MT of palm oil at Chennai Port. JM Baxi agents is handling the vessel. 'MMM Jackson' has berthed at Chennai Port and continues to deliver 5,900 MT of palm oil. Seaport agents is handling the vessel. 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.

'Spring Glory' has berthed at Tuticorin Port and continues to discharge 7,000 MT of palm oil. St.John agents is handling the vessel.

Delivery of 6,500 MT of CPO each is expected at New Mangalore Port from the vessels 'Bumik' and 'L Star' shortly. Interocean and Seaworld agents will be handling the vessels respectively.

'Siam Pavinee' is expected at Mundra Port to load 3,500 MT of palm oil. Atlantic agents will be handling the vessel.

Mumbai Port is expecting 'Isokaze' to deliver 3,500 MT of palm oil. The vessel will be handled by Interocean agents.

'Thressa II' from Indonesia is expected at Kandla Port to deliver 3,980 MT of CPO. The vessel will be handled by Taurus agents.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Thressa II	3980	CPO	Expected
Chennai	Montana Star	15250	SBO	Expected
	MMM Houston	3500	Palm Oil	Arrived
	MMM Jackson	5900	Palm Oil	Arrived
Mumbai	Iso kaze	3500	Palm Oil	Expected
Mundra	Siam Pavinee	3500	Palm Oil	Expected
Tuticorin	Spring Glory	7000	Palm Oil	Arrived
New Manglore	Bumik	6500	CPO	Expected
	L Star	6500	CPO	Expected

Forex Rates

(As on 10.12.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.22
European Union	Euro	54.56
United Kingdom	Pound Sterling	80.91
Japan	100 Yen	38.33
Malaysia	Ringgit	12.22

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