

VEGOIL

January 18, 2006

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Moderately Higher
- NCDEX February Soy Oil Future Prices Settle Lower

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD has just turned slightly downwards but still it is above signal line, there is no clear cut signal of trend reversal.
2. %K line is moving slightly downwards in neutral territory, which indicates short-term bearish sentiments.
3. Close far below 9 days (344.22) and 18 days (344.51) EMA, which indicates bearish sentiments.
4. Candlestick pattern shows the bearish sentiments.

Market Advice: Prices are expected to move range bound with weak sentiments. Go short near 344.20, target near 343.30, put stop loss near 344.60.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	343.20	342.40	345.00	346.60

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 remained closed due to US National Holiday (Martin Luther King Jr.)

CBOT Soy oil futures as 13.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	21.43	-	-	-	21.26	-0.17
Mar '06	21.69	21.70	21.71	21.50	21.67	-0.02
May '06	22.05	21.98	22.10	21.86	22.09	+0.04
Jul '06	22.45	22.35	22.45	22.22	22.45	0
Aug '06	22.54	22.55	22.55	22.36	22.53	-0.01
Sep '06	22.65	22.60	22.65	22.50	22.63	-0.02
Oct '06	22.78	-	-	-	22.75	-0.03
Dec '06	23.02	23.00	23.05	22.90	23.05	+0.03

CBOT remains closed on Saturday and Sunday.

BMD CPO Futures Settle Moderately Up

Crude palm oil futures on the Bursa Malaysia Derivatives settled moderately up in a choppy session on Tuesday. The benchmark April contract settled at MYR1432 /metric ton, it is up MYR1 from previous closing price. Traders are not aggressively involve in current trading activity due to US National Holiday (Martin Luther King's Jr. day) and Market would be closed for four days in Malaysia (From Jan 30 to Feb 2). December palm oil production is declined about 12 per cent, despite that stock of palm oil for December is increased marginally by 0.2 per cent as against the month of November. Export of palm oil during the January 1-15 is declined slightly, but it was not major concern among traders because the production of palm oil is already declined.

BMD: CPO Futures (16.01.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1419	1420	1424	1416	1421	+2	569
Mar 06	1426	1427	1430	1422	1428	+2	1419
Apr 06	1431	1430	1436	1426	1432	+1	1923
May 06	1432	1435	1438	1430	1435	+3	386
Jun 06	1435	0	0	0	1435	0	0

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at physical markets were quoted steady today in most of the market. CBOT was closed due to US National Holiday on the occasion of Martin Luther King's Jr. day. Export figure of January 1-15 is down as compared to December 1-15. December Malaysian palm oil production is also declined about 12 per cent. Trade activity was slow on BMD, albeit settled moderately higher today on BMD. Malaysian markets will be closed for a four-day (Jan 30 to Feb. 2) for national holidays and Chinese New Year. Palm oil prices are expected to move range bound in near term.

FOB prices of CPO (January) were last quoted at \$ 360 per tonnes and February RBD Palmolein at \$ 392.50 per tonnes.

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

Centres	17.01.06	16.01.06	Change
Kandla CPO (5 % FFA)	326	328	-2
Kandla RBD Palmolein	350	350	0
Mumbai RBD Palmolein	356	356	0
Chennai RBD Palmolein	-	369	-
Kakinada RBD Palmolein	354	354	0
Hyderabad RBD Palmolein+Tax	-	365	-

Soy oil

Today soybean oil prices at physical markets are range bound with weak sentiments amidst low demand at retail ends. NCDEX February soy oil future prices went down Rs 1.25 from previous closing prices and settled at Rs 344/10 Kg. However, KLC settled moderately higher in a choppy session today. Soy oil prices are expected to move range bound with weak sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 320 per 10 kg. CNF prices for soy degum (Jan15/Feb15 Shipment) at Kandla were quoted at \$ 478 per tonne.

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

Centres	17.01.06	16.01.06	Change
Mumbai (Soy Ref oil)+VAT	334	336	-2
Indore (Soy Ref oil)	342	343	-1
Indore (Solvent Ex. Oil)+VAT	320	319	+1
Kota (Soy Ref. Oil)	-	353	-
Jaipur (Soy Ref. Oil)	-	356	-
Nagpur (Soy ref. Oil)	344	345	-1
Chennai (Soy Ref Oil)	-	351	-
Hyderabad (Soy Ref)	-	353	-
Rajkot (Soy Ref)+Tax	-	333	-

Rape/Mustard oil

Mustard oil prices on physical market were steady today. There is news that the damage of mustard crop from 10 to 15 per cent due to frost injury especially in Rajasthan and Haryana. February future prices are settled higher on Delhi and Hapur exchange as compared to previous closing price. February future prices of mustard seed were quoted Rs 330 (+0.80) and 338.7 (+0.60) per 10 Kg in Delhi, and Hapur exchange respectively. Mustard oil prices are expected to move range bound with positive sentiments.

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

Centres	17.01.06	16.01.06	Change
Mumbai (Rape Expeller Oil)	369	369	0
Kota (Rape Expeller Oil)	358	357	+1
Jaipur (Rape Expeller Oil)	362	362	0
Delhi (Rape Expeller Oil)	395	395	0
Neewai (Kachchi Ghani Rape Oil)	-	378	-
Kota (Kachchi Ghani Rape oil)	-	376	-

Groundnut Refine Oil

GN oil prices are improved today in Mumbai only. However, groundnut oil prices range bound with weak sentiments in most of the markets today except Mumbai. There is no fresh news to improve its prices. GN oil prices are expected to move range bound in near term.

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

Centres	17.01.06	16.01.06	Change
Mumbai	440	438	+2
Rajkot	453	454	-1
Andhra Region	-	440	-
Chennai	-	445	-

Sunflower Refine Oil

Sunflower oil prices were monotonous in most of the physical markets today. CIF prices for Sunflowers (Jan15/Feb/15 Shipment) at Kandla port were quoted at \$ 552 per tonnes. Sunflower oil prices are expected to move range bound in near term.

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

Markets	17.01.06	16.01.06	Change
Mumbai +Vat	398	398	0
Chennai	-	450	-
Hyderabad	-	420	-

Cotton Refine Oil

Cotton oil prices at physical markets are range bound with scrawny sentiments today. There was no fresh news to enhance its prices. There were good arrival of cottonseeds and huge availability of other edible oil in the market. Cotton oil prices are expected to move range bound with pathetic sentiments in near term.

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

Markets	17.01.06	16.01.06	Change
Mumbai	344	345	-1
Hyderabad	-	351	-
Rajkot	-	345	-

NBOT Soy oil futures as on 17.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	345.1	345.10	345.10	343.80	344.00	-0.10	19950
Mar '06	345.9	345.70	345.80	344.90	345.10	-0.80	1170

NCDEX Soy oil futures as on 17.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	343.60	343.80	343.80	341.10	342.45	1560	5460
Feb'06	345.25	345.30	345.40	343.95	344.00	5440	22490
Mar'06	346.95	346.05	346.20	345.00	345.05	2620	12770

PORT-WATCH (Latest):

Edible Oil

Delivery of 6,000 MT of CPO is expected at New Mangalore Port from the vessel 'Vernal Grace'.

'Spring Glory' is expected at Kakkinada Port to deliver 6,000 MT of CPO.

Chennai Port is expecting 'MMM Houston' to discharge 3,000 MT of palm oil.

Mundra Port is expecting 'Florida' to discharge 29,000 MT of SBO. Taurus agents will be handling the vessel.

Delivery of 13,250 MT of SBO is expected at Kandla Port from the vessel 'Aditi'. The cargo was loaded from Argentina. Interocean agents will be handling.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Aditi	13250	SBO	Expected
Mundra Port	Florida	29000	SBO	Expected
Chennai	MMM Houston	3000	Palm Oil	Expected
Kakinada	Spring Glory	6000	CPO	Expected
New Mangalore	Vernal Grace	6000	CPO	Expected

Forex Rates

(As on 17.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.31
European Union	Euro	53.73
Japan	100 Yen	38.53
United Kingdom	Pound Sterling	78.30
Malaysia	Ringgit	11.82
China	CNY	5.50
Argentina	ARS	14.60
Brazil	BRL	19.52
Indonesia	1000 IDR	4.74

LATEST WEATHER WATCH (17.01.2006)

Forecast valid for next 72 hours

NORTH: Rain /Snow is likely **at many places** over Jammu & Kashmir, Himachal Pradesh and Uttaranchal during next 24 hours and at a few places thereafter. Rain/thundershowers also likely **at many places** over Punjab and **at a few places** over Haryana (including Chandigarh) and isolated over Delhi and West Uttar Pradesh during next 24-48 hours. Weather will be mainly dry over the rest region.

EAST: Weather will be mainly dry over the region.

SOUTH: Isolated rain/thundershowers are likely over south Tamil Nadu, Kerala, Lakshadweep and Andaman & Nicobar Islands. Weather will be **Mainly dry** in the rest region.

WEST: Rain/thundershowers likely at a few places over north Rajasthan during next 24 hours. Weather will be **mainly dry** over the rest region.

Source: IMD, GOI

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