

VEGOIL

January 17, 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 is continued moving upwards above its signal line, there is no signal of reversal in the current trend.
2. %K line is moving slightly downwards in neutral territory, which indicates short-term bearish sentiments.
3. Close below 9 days and 18 days 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 345.10, target near 344.10, put stop loss near 345.50.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	344.00	343.10	346.45	347.80

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 Saturday and Sunday

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.

Crude Palm Oil Futures Settle Higher on BMD

Crude palm oil futures settle higher on the Bursa Malaysia Derivatives Monday. The benchmark of April CPO contract settled at MYR 1432/metric ton, it is MYR7 up from previous closing price. Estimates for Malaysian palm oil exports for the period of January 1-15 released today, it was in range of traders' expectations. Cargo surveyor SGS (Malaysia) Bhd. estimated exports at 463,128 tons, it is down by 8.2% as against December 1-15. Trading activity was slow due to US national holiday (CBOT closed) on Monday and there were no energetic fundamental factors to boost up the trading activity. There was no issue on slow exports among traders because production of palm oil is also declined. India revised lower base import prices on Crude Soybean Oil at \$ 492/ton from \$ 497/ton (-5), Crude Palm Oil at \$ 415/ton from \$ 417/ton (-2), RDB Palm Oil at \$ 430/ton from \$ 432/ton (-2), Other Palm Oil to \$ 423/ton from \$ 425/ton (-2). However, India revised higher base import prices on Crude Palmolein at \$ 437/ton from \$ 418/ton (+19), RBD Palmolein at \$ 440/ton from \$ 421/ton (+19), Other Palmolein at \$ 439/ton from \$ 420/ton (+19). Base prices are only for the calculation the import duty by government. Malaysian markets will be closed for a four-day (Jan 30 to Feb. 2) for national holidays and Chinese New Year.

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

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1414	1414	1421	1414	1419	5	223
Mar 06	1419	1418	1426	1418	1425	6	681
Apr 06	1425	1425	1432	1422	1432	7	1435
May 06	1428	1430	1434	1430	1432	4	394
Jun 06	0	0	1431	0	1431	1431	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. Festival demand is over.

Export figure of January 1-15 is down as compared to December 1-15. GOI revised base import prices today. However, base prices are only for the calculation the import duty by government. 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.

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

Centres	16.01.06	14.01.06	Change
Kandla CPO (5 % FFA)	328	Closed	-
Kandla RBD Palmolein	350	-	-
Mumbai RBD Palmolein	356	355	+1
Chennai RBD Palmolein	369	Closed	-
Kakinada RBD Palmolein	354	Closed	-
Hyderabad RBD Palmolein+Tax	365	Closed	-

Soy oil

Most of the physical markets were range bound with weak sentiments amidst low demands at retail ends. Festival demands are over. February soy oil future prices settled lower on NCDEX today as compared to previous closing prices. However, KLC settled moderately higher today. Arrivals of soybeans were 100000-125000 bags in major markets of India today. Soybean prices at spot market were quoted Rs 1135/45 in Kota 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	16.01.06	14.01.06	Change
Mumbai (Soy Ref oil)+VAT	336	335	0
Indore (Soy Ref oil)	343	Closed	-
Indore (Solvent Ex. Oil)+VAT	319	Closed	-
Kota (Soy Ref. Oil)	353	Closed	-
Jaipur (Soy Ref. Oil)	356	Closed	-
Nagpur (Soy ref. Oil)	345	-	-
Chennai (Soy Ref Oil)	351	Closed	-
Hyderabad (Soy Ref)	353	Closed	-
Rajkot (Soy Ref)+Tax	333	Closed	-

Rape/Mustard oil

Mustard oil prices at physical market were range bound with positive sentiments. 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 lower on Delhi and Hapur and Bikaner exchange as compared to previous closing price. February future prices of mustard seed were quoted Rs 329.20, 338.10 and 330.50 per 10 Kg in Delhi, Hapur and Bikaner exchange respectively. Mustard seed prices on spot market were quoted Rs 1490/1520 per quintal and 1710 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 600-700 bags and 1500 bags in Kota and Jaipur

respectively. Mustard oil prices are expected to move range bound with positive sentiments.

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

Centres	16.01.06	14.01.06	Change
Mumbai (Rape Expeller Oil)	369	369	0
Kota (Rape Expeller Oil)	357	Closed	-
Jaipur (Rape Expeller Oil)	362	Closed	-
Delhi (Rape Expeller Oil)	395	385	+10
Neewai (Kachchi Ghani Rape Oil)	378	-	-
Kota (Kachchi Ghani Rape oil)	376	Closed	-

Groundnut Refine Oil

GN oil prices are improved today in Rajkot market due to low arrival of groundnut seeds. However, groundnut oil prices are slightly declined today because Pongal festival is over in South India. GN oil prices are expected to move range bound.

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

Centres	16.01.06	14.01.06	Change
Mumbai	438	438	0
Rajkot	454	Closed	-
Andhra Region	440	Closed	-
Chennai	445	Closed	-

Sunflower Refine Oil

Sunflower oil prices were steady in most of the physical markets today. Festival demand is over. 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	16.01.06	14.01.06	Change
Mumbai +Vat	398	398	0
Chennai	450	Closed	-
Hyderabad	420	Closed	-

Cotton Refine Oil

Cotton oil prices at physical markets are range bound today. There was no fresh news to boost up to 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 weak sentiments in near term.

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

Markets	16.01.06	14.01.06	Change
Mumbai	345	345	0
Hyderabad	351	Closed	-
Rajkot	345	Closed	-

NBOT Soy oil futures as on 16.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	345.1	346.9	347.3	345.1	345.1	0	21790
Mar '06	345.9	347.6	347.6	345.9	345.9	0	2200

NCDEX Soy oil futures as on 16.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	344.50	345.30	345.50	343.10	343.70	1520	5990
Feb'06	346.60	347.00	347.00	344.90	345.15	4310	23600
Mar'06	347.85	347.90	348.00	345.95	346.20	2180	12470

PORT-WATCH (Latest):

Edible Oil

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

Chennai Port received 1,860 MT of palm oil from the vessel 'Mega Crown I'. The vessel was handled by Seaport agents. The port is expecting 'MMM Houston' to discharge 3,000 MT of palm oil.

'Aditi' has berthed at JN Port and continues to deliver 20,000 MT of SBO. The cargo was loaded from Argentina. Interocean agents is handling the vessel.

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
JN Port	Aditi	20000	CPO	Arrived
Mundra Port	Florida	29000	SBO	Expected
Chennai	Mega Crown 1	1860	Palm Oil	Arrived
	MMM Houston	3000	Palm Oil	Expected
Kakinada	Spring Glory	6000	CPO	Expected

Forex Rates

(As on 16.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.26
European Union	Euro	53.35
Japan	100 Yen	38.36
United Kingdom	Pound Sterling	77.95
Malaysia	Ringgit	11.81
China	CNY	5.48
Argentina	ARS	14.57
Brazil	BRL	19.40
Indonesia	1000 IDR	4.73

LATEST WEATHER WATCH (16.01.2006)

Forecast valid for next 72 hours

NORTH: Rain /Snow is likely **at many places** over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Rain/thundershowers also likely **at many places** over Punjab and **at a few places** over Haryana (including Delhi & Chandigarh) and isolated over west Uttar Pradesh. 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 Nicobar Islands. Weather will be **Mainly dry** in the rest region.

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

Source: IMD, GOI

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