

VEGOIL

January 28, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD continue to moves in up direction after crossing its signal line, which indicates medium term bullish trends.
2. %K line is moving downward after crossing % D line from above in neutral zone, which indicates bearish market sentiments.
3. Close above 9 days (346.13) and 18 days EMA (346.06), which indicates bullish market sentiments.
4. Candlestick pattern shows bearish market sentiments.

Market Advice: Market sentiments are expected to move range bound with positive sentiments. Go long with cautions. Buy near 347.10 with target near 348.20, put stop loss at 346.60.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	345.10	344.10	348.30	349.20

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 future settled high at Chicago Boards of Trades on Thursday. March Soybeans settled up 6 cent at \$ 5.7350/bushel, 0.5 cent off the high and 7.50 cent up from the low. May Soybeans closed up 6.50 cent at \$ 5.8450/bushel, which was 8 cent up from the low and 0.50 cent off the high. March Soybean meal settled up \$ 1.9 at \$ 180.3/ton it was \$ 2.5 up from the low and \$ 0.2 off the high. March Soybean Oil settled down 0.01 cent at 21.51 cent/pound, 0.09 cent off the high and 0.3 cent up from the low. Low crush coupled with the report of poor weather conditions leads to surge in the prices of soybean and soy meal.

CBOT Soy oil futures as 26.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar 06	21.52	21.38	21.60	21.21	21.51	-0.01
May'06	21.89	21.65	21.95	21.59	21.88	-0.01
Jul '06	22.27	22.05	22.35	21.98	22.24	-0.03
Aug'06	22.40	22.26	22.35	22.16	22.35	-0.05
Sep'06	22.55	22.33	22.50	22.33	22.50	-0.05
Oct '06	22.70	22.45	22.70	22.45	22.65	-0.05
Dec'06	23.00	22.75	23.00	22.73	22.98	-0.02

CBOT remains closed on Saturday and Sunday.

South American Soybeans Futures Settle Lower

South American soybeans future settled low on Thursday. March South American soybeans settled 4 cents lower on Thursday to \$ 5.99/bushel then previous closing price. The South American market is closely linked with the US market, and the reports of weak crush and lower than expected export sales, the market seems vulnerable to lower prices in coming days. Weak US dollar compared to Brazil currency keeps the cash trade with slow pace. The new index fund leads to buying in corn and wheat but does not include soybeans, and when the light fund buying slowed on the rally, the market began to push lower. Recent rains in Argentina leads to improve the crop and relieved it from stress.

BMD CPO Futures Settle Moderately Up

Crude palm oil future settled moderately Up at Bursa Malaysia Derivatives on Friday. The benchmark April CPO contract settled at MYR1443 / metric ton, it is higher MYR4 from previous closing price. Palm oil prices on BMD slightly improved in tandem with higher e-CBOT. Trading activity was subdued only due holiday ahead. MBD will be open only Friday in next week. Traders were not willing to take fresh positions due to long holiday ahead. Traders are waiting for January Malaysian palm oil export estimates by SGS and Intertek Agri Services, which are due to release.

BMD: CPO Futures (27.01.2006)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1426	1427	1430	1425	1425	-1	463
Mar 06	1432	1435	1437	1435	1436	+4	307
Apr 06	1439	1442	1445	1441	1443	+4	1287
May 06	1443	1446	1449	1446	1448	+5	420
Jun 06	1446	1449	1452	1449	1451	+5	85

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices at physical markets were mixed. BMD settled moderately higher on Friday. Trading activities were subdued in the beginning on BMD and later on it is improved in dampened with higher e-CBOT. Traders are not aggressively involved in trading due to long holiday ahead. Palm oil prices are expected to move range bound.

FOB prices of CPO (February) were quoted at \$ 367.50 per tonnes and February RBD Palmolein at \$ 392.50 per tonnes. FOB CPO and RBD slightly increased today as compared to yesterday.

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

Centres	27.01.06	25.01.06	Change
Kandla CPO (5 % FFA)	334	332	+2
Kandla RBD Palmolein	353	353	0
Mumbai RBD Palmolein	357	358	-1
Chennai RBD Palmolein	372	373	-1
Kakinada RBD Palmolein	349	350	-1
Hyderabad RBD Palmolein+Tax	362	358	+4

Soy oil

Today soybean oil prices at physical markets range bound with positive sentiments in most of the markets amidst increasing local demands at retail ends. NCDEX February soy oil future prices were weak in the beginning and slightly improved later on and finally settled higher today as compared to previous closing prices. Today's arrivals of soybean were remains in range of 1.25 lakh to 1.50 bags (1 bags=85 Kg) in major markets of India. Soy oil prices are expected to move range bound with positive sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 324 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 485 per tonne.

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

Centres	27.01.06	25.01.06	Change
Mumbai (Soy Ref oil)+VAT	340	339	+1
Indore (Soy Ref oil)	344	344	0
Indore (Solvent Ex. Oil)+VAT	320	320	0
Kota (Soy Ref. Oil)	353	353	0
Jaipur (Soy Ref. Oil)	357	357	0
Chennai (Soy Ref Oil)	356	356	0
Hyderabad (Soy Ref)	367	365	+2
Rajkot (Soy Ref)+Tax	334	334	0

Rape/Mustard oil

Today mustard oil prices on physical markets were remain range bound with weak sentiments due to arrivals of new mustard seeds in Kota, Rajasthan and Neemuch region, Madhya Pradesh. Arrivals of new mustards seeds brought negative impact on its prices. Mustard prices are marginally declined at spot markets. Mustard seed prices in physical market were quoted in range of Rs 1400-1505 and 1715 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 1400-1500 bags and 1200 bags in Kota and Jaipur respectively. Mustard oil prices are expected to move range bound in near term.

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

Centres	27.01.06	25.01.06	Change
Mumbai (Rape Expeller Oil)	374	374	0
Kota (Rape Expeller Oil)	360	360	0
Jaipur (Rape Expeller Oil)	363	364	-1
Delhi (Rape Expeller Oil)	395	395	0
Neewai (Kachchi Ghani Rape Oil)	380	382	-2

Groundnut Refine Oil

Today groundnut oil prices at spot market showed sluggish trend in most of the markets amidst low demand at retail ends except Gujarat markets. Harvesting of groundnut crop is over in Gujarat in the last week of December and farmers stock of groundnut is declining slightly. Low supply of groundnut in Gujarat brought positive impact on its prices. However harvesting of groundnut is going on in Tamilnadu and Andhra region. More supply of groundnut in South India brought negative impact on its prices in major markets. Arrivals of groundnut seeds in Gujarat were about 50000-55000 bags (1bags=35 Kg). Groundnut seeds prices were quoted Rs 336/20 Kg in Gujarat Mandi today. GN oil prices are expected to move range bound in near term.

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

Centres	27.01.06	25.01.06	Change
Mumbai	435	436	-1
Rajkot	446	442	+4
Andhra Region	435	435	0
Chennai	438	440	-2

Sunflower Refine Oil

Sunflower oil prices were showed dull trends in most of the physical markets today. Sunflower oil prices are declined today due to harvesting pressure of sunflowers and groundnut seeds in South India. CIF prices for Sunflowers (February Shipment) at Kandla port were quoted at \$ 534 per tonnes. Sunflower oil prices are expected to move range bound with weak sentiments.

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

Markets	27.01.06	25.01.06	Change
Mumbai +Vat	403	405	-2
Chennai	430	435	-5
Hyderabad +VAT	406	408	-2

Cotton Refine Oil

Today cotton oil prices at physical markets were range bound. Cotton oil prices were slightly improved in Gujarat mandi in tandem with higher prices of groundnut oil in Gujarat. Prices are expected to move range bound in near term.

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

Markets	27.01.06	25.01.06	Change
Mumbai	344	345	-1
Hyderabad	350	350	0
Rajkot	340	339	+1

NBOT Soy oil futures as on 27.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	347.10	345.30	347.40	344.70	347.10	+1.70	22070
Mar '06	350.00	347.30	350.30	347.20	350.00	+2.00	5740

NCDEX Soy Futures Settle Moderately Higher

Soy oil future prices settled moderately higher at NCDEX on Friday. NCDEX February soy oil prices are settled up Rs 1.30 at Rs 347.20 per 10 Kg, it was Rs 0.55 off the high and Rs 2.00 up from the low. Soy oil prices are expected to move range bound with positive sentiments.

NCDEX Soy oil futures as on 27.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	345.90	345.40	347.75	345.20	347.20	4340	20120
Mar'06	348.05	346.70	350.50	346.70	350.15	4120	14230

Forex Rates

(As on 27.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.15
European Union	Euro	53.91
Japan	100 Yen	37.92
United Kingdom	Pound Sterling	78.57
Malaysia	Ringgit	11.77
China	CNY	5.48
Argentina	ARS	14.44
Brazil	BRL	19.84
Indonesia	1000 IDR	4.70

PORT-WATCH (Latest):

Edible Oil

'Florida' from Argentina has berthed at Kandla Port and continues to deliver 5,000 MT of SBO. The vessel is being handled by Intercean agents.

Delivery of 5,000 MT of palm oil is continuing at Chennai Port from the vessel 'Merkur'.

Mundra Port is expecting 'Rising One' to load 3,000 MT of SBO. Atlantic agents will be handling the vessel.

Marmugao Port is expecting 'Global Neptune' from Indonesia to discharge 3,478 MT of palm oil. Patvolk agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Florida	5000	SBO	Arrived
Mundra Port	Rising One	3000	SBO	Expected
Chennai	Merkur	5000	Palm Oil	Arrived
Marmugao	Global Neptune	3478	Palm Oil	Expected

LATEST WEATHER WATCH (27.01.2006)

Forecast valid for next 72 hours

NORTH : Isolated rain/snow likely over Jammu & Kashmir. Weather will be mainly dry over the rest region.

EAST: Isolated rain/thundershowers likely over Assam and Arunachal Pradesh. Weather will be mainly dry over the rest region.

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

WEST : Weather will be **mainly dry** over the region.

Source: IMD, GOI

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