

VEGOIL

January 23, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Higher
- NCDEX February Soy Oil Future Prices Settle Higher

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD is moving continue to northwards after crossing its signal line, which indicates medium term bullish trends.
2. %K line is moving upwards sharply after crossing % D line in neutral zone, which indicates bullish trends.
3. Close above 9 days and 18 days EMA, which indicates bullish market sentiments.
4. Candlestick pattern shows bullish market sentiments.

All technical indicators showed bullish sentiments.

Market Advice: Market is expected to move range bound with positive sentiments. Go long near 346.30, target near 347.40 and put stop loss at 345.90.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	344.80	343.80	347.50	348.30

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 Higher

Soy future settled higher at Chicago Boards of trades on Friday. March Soybeans settled high 3 cent at \$ 5.68/bushel, 3.75 cent off the high and 3.50 cent up from the low. May Soybeans closed up 3 cent at \$ 5.7775, it was 3.75 up from the low and 3.75 off the high. March Soymeal closed up \$ 1 at \$ 179.4/ton it was \$ 1.4 up from the low and \$ 1.1 off the high. March Soybean Oil finished up 0.2 cent at 21.28 cents/pound, 0.14 cent off the high and 0.27 cent up from the low. Increase in weekly soybean sales and short covering after the recent sharp break supported solid gains in soybeans. Weekly US export sales for soybeans shows higher gain. It is expected to boost up the market sentiments in near term.

CBOT Soy oil futures as 20.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	21.08	21.08	21.42	21.01	21.28	+0.20
May '06	21.47	21.48	21.78	21.38	21.63	+0.16
Jul '06	21.84	21.87	22.15	21.78	22.00	+0.16
Aug '06	21.98	22.02	22.25	21.95	22.13	+0.15
Sep '06	22.12	22.17	22.42	22.07	22.28	+0.16
Oct '06	22.29	22.30	22.55	22.30	22.44	+0.15
Dec '06	22.53	22.60	22.80	22.48	22.75	+0.22

CBOT remains closed on Saturday and Sunday.

South American Soybeans Futures Settle Steady

South American soybeans future remained unchanged on Friday. March South American soybeans closed unchanged on Friday at \$ 5.97/bushel. The US market's fundamentals remained bearish and the trend remains down, but futures were oversold enough to experience a slight upshift. With the large crops and large stocks in South America, the export from US soybeans is slowing down. The cheaper South American soybeans have pushed US soy at lower price. Weather looks favourable in South America and expected to have bumper crop. Weekly export sales for soybeans came in at 1,278,700 tonnes for current crop and 72,000 for new crop for a total of 1,350,700, which is above the expectations. Meal sales came in at 158,000 for current crop and 900 for new crop for a total of 158,900, also above expectations, and oil sales came in at 1100 tons (all current crop), which was towards the low end of expectations.

BMD remains closed Saturday and Sunday

BMD: CPO Futures (20.01.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1425	1427	1427	1420	1422	-3	294
Mar 06	1431	1432	1434	1429	1430	-1	557
Apr 06	1436	1436	1440	1432	1436	0	1257
May 06	1438	1441	1441	1436	1439	+1	421
Jun 06	1441	1440	1440	1440	1440	-1	35

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices at physical markets went up slightly in most of the market. Cargo surveyors SGS (Malaysia) Bhd and Intertrack Agri Services are released an estimate on Friday of Malaysian palm oil exports higher 5.1 % and 4.4 % during the Jan. 1-20 period as compared to December 1-20. CBOT settled higher on Friday. NCDEX and NBOT were positive today; all these factors brought positive impact on palm oil prices and other edible oil. Palm oil prices are expected to move range bound.

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

Centres	21.01.06	20.01.06	Change
Kandla CPO (5 % FFA)	331	327	+4
Kandla RBD Palmolein	353	351	+2
Mumbai RBD Palmolein	356	355	+1
Chennai RBD Palmolein	371	371	0
Kakinada RBD Palmolein	352	352	0
Hyderabad RBD Palmolein+Tax	360	359	+1

Soy oil

Today soybean oil prices at physical markets range bound with positive market sentiments. NCDEX and NBOT February soy oil future prices settled higher today as compared to previous closing prices. Soybean prices improved slightly on spot markets and process were quoted Rs 1130-50 per quintal in Kota mandi. Today's arrivals of soybean were remains around 80000, 30000-35000 and 15000-20000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan markets respectively. Arrivals of soybeans were 4000-5000 bags in Kota only. Soy oil prices are expected to move range bound.

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 \$ 484 per tonne.

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

Centres	21.01.06	20.01.06	Change
Mumbai (Soy Ref oil)+VAT	336	334	+2
Indore (Soy Ref oil)	343	341	+2
Indore (Solvent Ex. Oil)+VAT	319	318	+1
Kota (Soy Ref. Oil)	353	350	+3
Jaipur (Soy Ref. Oil)	357	353	+4
Chennai (Soy Ref Oil)	355	355	0
Hyderabad (Soy Ref)	352	345	+7
Rajkot (Soy Ref)+Tax	333	333	0

Rape/Mustard oil

Mustard oil prices on physical market range bound with positive sentiments today. Mustard seed prices in physical market were remain quoted in the range of Rs 1500-1530 and 1725-1730 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 350-400, 400-500 and 1200-1300 bags in Neewai, Kota and Jaipur respectively. Harvesting of mustard crop has started in some pockets in Kota region and Neemuch (Madhya Pradesh). Prices for new mustard seed were quoted 1350-1400 due to more moisture contents in new mustard seeds. February future prices settled higher on Delhi and Hapur exchange as compared to previous closing price. February future prices

of mustard seed were quoted Rs 333.5 (+2.30) and 341.6 (+2.1) per 20 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	21.01.06	20.01.06	Change
Mumbai (Rape Expeller Oil)	372	372	0
Kota (Rape Expeller Oil)	362	360	+2
Jaipur (Rape Expeller Oil)	364	363	+1
Delhi (Rape Expeller Oil)	395	395	0
Neewai (Kachchi Ghani Rape Oil)	384	384	0

Groundnut Refine Oil

Today groundnut oil prices at spot market sluggish in most of the markets amidst low demand at retail ends and harvesting pressure in Andhra and Tamil Nadu. There is huge availability of low priced edible oil in the markets as compared to groundnut oil and more supply of groundnut seed in south India brought negative impact on gn oil prices. GN oil prices are expected to move range bound.

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

Centres	21.01.06	20.01.06	Change
Mumbai	435	435	0
Rajkot	444	448	-4
Andhra Region	435	440	-5
Chennai	445	445	0

Sunflower Refine Oil

Sunflower oil prices were showed positive sentiments in most of the physical markets today. According to local traders, prices went up slightly due to low arrival of sunflower seeds in local mandi. CIF prices for Sunflowers (Jan15/Feb/15 Shipment) at Kandla port were quoted at \$ 541 per tonnes. Sunflower oil prices are expected to move range bound with weak sentiments.

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

Markets	21.01.06	20.01.06	Change
Mumbai +Vat	400	395	+5
Chennai	435	435	0
Hyderabad	420	410	+10

Cotton Refine Oil

Today cotton oil prices at physical markets were lackluster in most of the markets except Hyderabad mandi. Prices are improved slightly in Andhra region only because higher prices for sunflower and soy oil brought positive impact on cotton oil in Andhra region. There were no other crucial factors to push up its prices in the markets. Cotton oil prices are expected to move range bound tomorrow.

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

Markets	21.01.06	20.01.06	Change
Mumbai	342	342	0
Hyderabad	348	345	+3
Rajkot	344	344	0

NBOT Soy oil futures as on 21.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	344.50	344.90	346.50	344.50	346.40	+1.90	10810
Mar '06	346.70	347.00	348.70	346.80	348.70	+2.00	2400

NCDEX Soy oil futures as on 21.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	344.75	344.80	347.05	344.80	346.90	6060	23120
Mar'06	346.95	347.20	349.00	347.10	348.80	3110	13940

Forex Rates

(As on 21.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.11
European Union	Euro	53.53
Japan	100 Yen	38.15
United Kingdom	Pound Sterling	78.11
Malaysia	Ringgit	11.84
China	CNY	5.47
Argentina	ARS	14.56
Brazil	BRL	19.37
Indonesia	1000 IDR	4.68

PORT-WATCH (Latest):

Edible Oil

Delivery of 6,000 MT of palm oil is continuing at Cochin Port from the vessel 'Cheras'. The vessel is being handled by Seaport agents. 'Seto Eagle' has berthed at the port and continues to deliver 3,000 MT of palm oil.

Kolkatta Port is receiving 5,200 MT of CPO from the vessel 'Isokaze'. Seaport agents is handling the vessel.

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

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

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

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Isokaze	5200	CPO	Arrived
Mundra Port	Florida	29000	SBO	Arrived
Kakinada	Spring Glory	6000	CPO	Expected
New Manglore	Vernal Grace	6000	CPO	Expected
Cochin	Cheras	3000	Palm Oil	Arrived
	Seto Eagle	3000	Palm Oil	Arrived

LATEST WEATHER WATCH (21.01.2006)

Forecast valid for next 72 hours

NORTH: Isolated rain/snow likely over Jammu & Kashmir. Weather will be mainly dry over the rest region. However, a spell of moderate rainfall/snowfall is likely over the western Himalayas from 22nd evening till 24th.

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

SOUTH: Isolated rain/thundershowers are likely over 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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