

VEGOIL

February 01, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD is moving upwards continuously after crossing its signal line, which is negating bearish market sentiments.
2. %K line has just turned downwards after crossing % D line from above in neutral zone, which indicates bearish market sentiments.
3. Prices close above 9 days (346.54) and 18 days EMA (346.32), which indicates bullish market sentiments.
4. Candlestick pattern shows slightly bullish market sentiments.

Market Advice: Market is expected to move range bound with positive sentiments. Go long near 347.00, target near 348.00 and put stop loss at 346.50.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	345.70	344.80	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 High

Soy future settled high at Chicago Boards of Trade on Monday. March Soybeans settled up 9.50 cents at \$5.9875/bushel, 7.50 cents off the high and 5.50 cents up from the low. May Soybeans settled up 9.75 cents at \$6.0950. This was 6.75 cents up from the low and 7 cents off the high. March Soymeal settled up \$1.8 at \$188.2/ton that was \$1.4 up from the low and \$2.3 off the high. March Soybean Oil finished up 0.15 cent at 22.2 cent/pound, 0.25 cent off the high and 0.05 cent up from the low. Fund buyers took the market high with effective buying coupled with the concern of hot and adverse weather forecast for Argentina in this week. It is expected that the temperature may rise up to 100 °F. Weekly export data from US came about 18.85 million bushels as compared to expected 22-30 million bushel.

CBOT Soy oil futures as 30.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	22.39	22.70	22.78	22.52	22.54	+0.15
May '06	22.79	23.05	23.12	22.88	22.90	+0.11
Jul '06	22.91	23.25	23.25	23.03	23.03	+0.12
Aug '06	23.03	23.45	23.45	23.18	23.18	+0.15
Sep '06	23.17	23.50	23.50	23.33	23.33	+0.16
Oct '06	23.49	23.70	23.85	23.60	23.60	+0.11
Dec '06	22.39	22.70	22.78	22.52	22.54	+0.15

CBOT remains closed on Saturday and Sunday.

South American soybean Futures Settle High

South American soybeans future settled high on Monday. March South American soybeans settled 14.50 cents higher at \$6.19/bushel. Positive influence of US market and concern of adverse weather condition of Argentina remain the main reason for improvement in the market. Cash markets in Brazil also remained firm due to supplies of market-ready grain are tight ahead of the harvest. The market price went up due to less chances of rains for Argentina for this week. The adverse weather in Argentina imparted stressed crop conditions and lack of chances of improvement over the next few days provided support to the market. Though, short-term weather situation in South America looks bullish due to adverse weather condition in South America. Speculators therefore hold a hefty net short position for better margin. Long-term fundamentals for US seem bearish due to pressure of crop arrival in the market. This could be the reason for buying support from speculators and end users.

BMD closed from Jan 31 to Feb 2, 2006

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.

GOI: Revises Low Base Import Prices on Edible Oils

January 31: Government of India has revised base import prices on edible oil on January 31, 2006. Government of India revised lower base import prices on Crude Soybean Oil at \$ 484/ton (-8) from \$ 492/ton, Crude Palm Oil at \$ 412/ton (-3) from \$ 415/ton, RBD Palm Oil at \$ 427/ton (-3) from \$ 430/ton, Other Palm Oil at \$ 420/ton (-3) from \$ 423/ton, Crude Palmolein at \$ 434/ton (-3) from \$ 437/ton, RBD Palmolein at \$ 437/ton (-3) from \$ 440/ton, and Other Palmolein at \$ 436/ton (-3) from \$ 439/ton.

Central Board of Excise and Customs (CBEC), Department of Revenue issued notification No.07/2006-CUSTOMS (N.T), here today revising Tariff Values of various edible oils as shown in the table below.

Table: Government of India has revised base import prices:

Commodities	Current Tariff Rate	Previous Tariff Rate	Change (US \$)
Crude Soybean Oils	484	492	-8
CPO	412	415	-3
RBD Palm Oil	427	430	-3
Other Palm Oil	420	423	-3
Crude Palm Olein	434	437	-3
RBD Palm Olein	437	440	-3
Other Palm Olein	436	439	-3

The revised value is effective from today i.e., 31st January, 2006.

Source: PIB

Palm Oil

Today palm oil prices on spot markets were unchanged in most of the markets amidst low demands at retail ends. BMD are closed till February 2, 2006. BMD will open only on February in this week. It is expected to slow trade on Friday. There was no fresh news to enhance the palm oil prices in physical markets. Palm oil prices are expected to move range bound in near term.

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

Centres	31.01.06	30.01.06	Change
Kandla CPO (5 % FFA)	334	334	0
Kandla RBD Palmolein	353	353	0
Mumbai RBD Palmolein	359	359	0
Chennai RBD Palmolein	373	373	0
Kakinada RBD Palmolein	350	350	0
Hyderabad RBD Palmolein	360	360	0

Soy oil

Today soybean oil prices at physical markets were with mixed sentiments. NCDEX February soy oil future prices settled marginally down today as compared to previous closing prices. Today's arrivals of soybean were in range of 60000-62000, 25000-26000, 14000-15000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. Arrivals of soybeans are 5000 bags in Kota only. Import of soybean oil is improved during this week. There was no fresh fundamental news to boost up its prices. Prices of soy oil are expected to move range bound in coming days.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 323 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 490 per tonne.

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

Centres	31.01.06	30.01.06	Change
Mumbai (Soy Ref oil)+VAT	340	339	+1
Indore (Soy Ref oil)	344	345	-1
Indore (Solvent Ex. Oil)+VAT	319	320	-1
Kota (Soy Ref. Oil)	353	352	+1
Jaipur (Soy Ref. Oil)	357	355	+2
Chennai (Soy Ref Oil)	356	356	0
Hyderabad (Soy Ref)	360	360	0
Rajkot (Soy Ref)+Tax	335	336	-1

Rape/Mustard oil

Today mustard oil prices on physical markets were range bound with weak sentiments. Harvesting of new mustards crop begins in some parts of Kota and Neemuch areas. Harvesting of new crop would bring negative impact in coming days. Mustard seed prices in physical market were quoted in range of Rs 1480-1520 and 1710-1715 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 1600 bags and 1800-2000 bags in Kota and Jaipur respectively. The arrivals of new crop of mustard seeds were about 800 bags out of 1600 bags in Kota mandi. February future prices of mustard seeds were slightly declined at 336.40 (-0.10) in Delhi exchange. Mustard oil prices are expected to move range bound with remains weak sentiments in near term.

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

Centres	31.01.06	30.01.06	Change
Mumbai (Rape Expeller Oil)	373	374	-1
Kota (Rape Expeller Oil)	362	362	0
Jaipur (Rape Expeller Oil)	365	365	0
Delhi (Rape Expeller Oil)	385	388	-3
Neewai (Kachchi Ghani Rape Oil)	380	380	0

Groundnut Refine Oil

Today groundnut oil prices at spot market were range bound with weak sentiments. Groundnut prices were remains quoted Rs335/20 kg in Rajkot mandi today, it is declined marginally as compared to previous closing prices. Groundnut oil prices are slightly in Chennai due to more supply of groundnut seeds. Arrivals of groundnut seeds in Gujarat were about 60000-65000 bags (1bags=35 Kg). GN oil prices are expected to move range bound in near term.

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

Centres	31.01.06	30.01.06	Change
Mumbai	435	435	0
Rajkot	445	447	-2
Andhra Region	435	435	0
Chennai	435	440	-5

Sunflower Refine Oil

Sunflower oil prices were went down slightly in Mumbai and Chennai market due to harvesting pressure and availability of low priced edible oil in the market. CIF prices for Sunflowers (February Shipment) at Kandla port were quoted at \$ 541 per tonnes, it increased to Rs \$1 per ton as compared to previous trading day. Sunflower oil prices are expected to move range bound with weak sentiments in coming days.

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

Markets	31.01.06	30.01.06	Change
Mumbai +Vat	395	400	-5.00
Chennai	427.5	430	-2.50
Hyderabad +VAT	403	403	0.00

Cotton Refine Oil

Today Cotton oil prices were shows the dull trends in most of the markets. There were no fresh new to boost up its prices. There is good stock of edible oil in the markets. Prices are expected to move range bound in near term.

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

Markets	31.01.06	30.01.06	Change
Mumbai	344	345	-1
Hyderabad	347	347	0
Rajkot	341	343	-2

NBOT Soy oil futures as on 31.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	346.30	345.50	346.60	345.30	345.80	-0.30	10080
Mar '06	349.10	348.50	350.10	348.50	349.80	+0.70	5070

NCDEX Soy Futures Settle Marginally Down

Soy oil future prices settled marginally down at NCDEX on Tuesday. NCDEX February soy oil prices settled marginally down Rs 0.20 at Rs 346.90 per 10 Kg, it was Rs 0.90 off the high and Rs 1.00 up from the low. February soy oil prices were moved in range of Rs 345.90 to Rs 347.80/10 Kg. Soy oil prices are expected to move range bound with in near term.

NCDEX Soy oil futures as on 31.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	347.10	346.20	347.80	345.90	346.90	5080	19020
Mar'06	349.60	349.20	350.40	349.00	349.80	2590	14880

LATEST WEATHER WATCH (31.01.2006)

Forecast valid for next 72 hours

NORTH : Rain/snow is likely at isolated places over higher reaches of Jammu & Kashmir . Weather will be mainly dry over the rest region.

EAST : Weather will be mainly dry over the region.

SOUTH : Weather will be mainly dry over the region.

WEST : Weather will be mainly dry over the region.

Source: IMD, GOI

PORT-WATCH (Latest):

Edible Oil

Mumbai Port is expecting `Nogogini` from Indonesia to deliver 8,000 MT of CPO. JM Baxi agents will be handling the vessel.

`Nogogini` from Indonesia is expected at Kandla Port to deliver 4,000 MT of CPO. The vessel will be handled by JM Baxi agents. The port is expecting `Gemini` to deliver 6,000 MT of CPO. The cargo was loaded from Indonesia. Seaport agents will be handling the vessel.

Delivery of 5,000 MT of palm oil is continuing at Chennai Port from the vessel `Mercur`. The port received 5,800 MT of palm oil from the vessel `Tirta Niaga I`. The vessel was handled by Interocean agents. `Ace I` discharged 3,000 MT of CPO at the port.

`Global Trader` carried 5,200 MT of SBO from Mundra Port. GAC agents handled the vessel. Mundra Port is expecting `Rising One` to load 3,000 MT of SBO. Atlantic agents will be handling the vessel.

Marmugao Port received 3,478 MT of palm oil from the vessel `Global Neptune`. The cargo was loaded from Indonesia. Patvolk agents handled the vessel.

`Mercur` is expected at Kolkata Port to deliver 13,000 MT of SBO. The port is expecting `Global Pallas` to discharge 5,800 MT of CPO. Seaport agents will be handling the vessel.

Kakkinada Port is expecting `Ace I` to deliver 3,000 MT of CPO.

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Gemini	6000	CPO	Expected
	Nogogini	4000	CPO	Expected
Mumbai	Nogogini	8000	CPO	Expected
Mundra Port	Rising One	3000	SBO	Expected
	Global Trader	5200	SBO	Expected
Chennai	Mercur	5000	Palm Oil	Arrived
	Tirta Niaga I	5800	Palm Oil	Arrived
	Ace I	3000	CPO	Arrived
Marmugao	Global Neptune	3478	Palm Oil	Arrived
Kolkata	Mercur	13000	SBO	Arrived
	Global Pallas	5800	CPO	Expected
Kakkinada	Ace I	3000	CPO	Arrived

Forex Rates

(As on 31.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.07
European Union	Euro	53.32
Japan	100 Yen	37.50
United Kingdom	Pound Sterling	77.95
Malaysia	Ringgit	11.76
China	CNY	5.47
Argentina	ARS	14.41
Brazil	BRL	19.85
Indonesia	1000 IDR	4.70

Current Vessels Positions

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