

VEGOIL

January 3, 2006

MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Refine Oil Settle Lower
- NBOT January Soy Refine Oil Settle Lower

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD is moving downwards in the negative territory indicating bearish sentiments.
2. Stochastic is moving upwards and has entered in the neutral territory from negative territory, indicating trend reversal.
3. Close far below 5 days EMA (342.80) and 7 days EMA (341.28) indicates bearish trend.
4. Candlestick formed Doji pattern, which is hinting indecisiveness in the market sentiments.

Market Advice: Market is in the indecisive position as per technical indicators. One should follow the fundamentals at this stage, which suggests bearishness in the prices.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	336.90	336.20	338.30	340.50

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 : Closed (Happy New Year's Holiday)

CBOT Soy oil futures as 30.12.2005 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	20.90	20.90	21.35	20.80	21.30	+0.40
Mar '06	21.16	21.23	22.00	21.12	21.90	+0.74
May '06	21.55	21.61	22.25	21.50	22.14	+0.59
Jul '06	21.85	21.90	22.45	21.80	22.32	+0.47
Aug '06	22.01	22.01	22.25	21.95	22.25	+0.24
Sep '06	22.11	22.11	22.40	22.11	22.40	+0.29
Oct '06	22.35	22.35	22.70	22.25	22.52	+0.17
Dec '06	22.60	22.65	23.00	22.50	22.95	+0.35

CBOT remains closed on Saturday and Sunday.

BMD: Closed (Happy New Year's Holiday)

BMD: CPO Futures (30.12.2005) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1399	1399	1405	1397	1397	-2	1064
Feb 06	1411	1410	1416	1409	1409	-2	642
Mar 06	1415	1414	1423	1412	1415	0	2044
Apr 06	1417	1419	1426	1419	1420	+3	1118
May 06	1422	1426	1426	1426	1426	+4	10

BMD remains closed on Saturday and Sunday.

Government of India has revised base import duty w.e.f. January 2, 2006. Details are as follows:

(Unit: US \$/MT)

Items/Commodities	Revised Tariff w.e.f. 02/01/06	Previous Tariff rate	Change (US \$)
CPO	417	433	-16
RBD Palm Oil	432	435	-3
Other Palm Oil	425	434	-9
Crude Palm Olein	418	440	-22
RBD Palm Olein	421	445	-24
Other Palm Olein	420	443	-23
Crude Soybean Oils	497	510	-13

Source: PIB, GOI.

Palm Oil

Palm oil prices at physical market were lackluster. Market sentiments of palm oil were lackluster due to heavy pressure of soy oil and cotton oil in the markets. These oils are substitute of each other. NCDEX January Soyoil prices are settled down. These factors were cause to decline the

palm oil prices. Palm oil prices are expected to move range bound.

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

Centres	02..01.06	31.12.05	Change
Kandla CPO (5 % FFA)	334	334	0
Kandla RBD Palmolein	355	358	-3
Mumbai RBD Palmolein	368	368	0
Chennai RBD Palmolein	374	374	0
Kakinada RBD Palmolein	368	369	-1
Hyderabad RBD Palmolein	390	389	+1

Soy oil

Today domestic soy oil prices were range bound with weak sentiments amidst low demand at retail ends. NCDEX and NBOT January soyoil prices are settled down today as compared to previous closing prices. Soy oil prices are declined due to selling pressure in the markets. Arrivals of soybean were good in most of the markets. Total arrivals of soybeans were 75000-80000, 30000, 35000, 20000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra, Rajasthan and Gujarat markets. Arrivals of soybean in Kota mandi were 5000-6000 bags only. Soy oil prices are expected to move range bound.

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

Centres	02.01.06	31.12.05	Change
Mumbai (Soy Ref oil)+VAT	335	335	0
Indore (Soy Ref oil)	336	338	-2
Indore (Solvent Ex. Oil)+VAT	311	314	-3
Kota (Soy Ref. Oil)	345	345	0
Jaipur (Soy Ref. Oil)	348	348	0
Nagpur (Soy ref. Oil)	341	342	-1
Chennai (Soy Ref Oil)	356	356	0
Hyderabad (Soy Ref)	365	370	-5
Rajkot (Soy Ref)	345	350	-5

Rape/Mustard oil

Mustard oil prices at physical market remain went down slightly amidst low demands at retail ends. Mustard seed prices are also declined slightly in most of the markets. Mustard seed prices were quoted in Kota and Jaipur Rs 1480-80 per qtl and 1680 per qtl respectively. Low prices of mustard seeds and low prices of soy oil are the major cause to decline the mustard oil prices. Harvesting of mustard seed will be starting in the 3rd week of January in Rajasthan. Little rain would be more helpful for production. Mustard oil prices are expected to move range bound.

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

Centres	02.01.06	31.12.05	Change
Mumbai (Rape Expeller Oil)	368	368	0
Kota (Rape Expeller Oil)	354	354	0
Jaipur (Rape Expeller Oil)	358	356	+2
Delhi (Rape Expeller Oil)	378	380	-2
Neewai (Kachchi Ghani Rape Oil)	367	368	-1
Kota (Kachchi Ghani Rape oil)	375	376	-1

Groundnut oil

Domestic markets prices of groundnut oil went up slightly in most of the markets amidst increasing demand at retail ends. Arrivals of groundnut are slightly declined as compared to previous trading day. Arrivals of groundnut were around 75,000-80,000 bags in Gujarat (1 bag= 35 Kg).

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

Centres	02..01.06	31.12.05	Change
Mumbai	440	438	+2
Rajkot	456	446	+10
Andhra Region	447	445	+2
Chennai	445	445	0

Sunflower Oil

Today market sentiments of Sunflower oil are improved slightly in most of the markets amidst increasing demands at retail ends. Sunflower oil prices are expected to move range bound in near term.

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

Markets	02.01.06	31.12.05	Change
Mumbai (Refine)	410	407	+3
Chennai (Refine)	460	460	0
Hyderabad (Refine)	433	430	+3
Mumbai (Crude)	375	375	0
Chennai (Crude)	405	408	-3
Hyderabad (Crude)	408	405	+3

Cotton Oil

Cotton oil prices on physical markets were mixed. Cotton oil prices are went up slightly in Gujarat market only due to increasing demands at retail ends. Cotton oil prices are slightly low in South Indian markets due to low demands of cotton oil at retail ends. Cotton oil prices are expected to range bound in near term.

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

Markets	02.01.06	31.12.05	Change
Mumbai	342	343	-1
Hyderabad	350	356	-6
Rajkot	330	320	+10

NBOT Soy oil futures as on 02.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	338.60	338.00	338.30	336.90	337.60	-1.00	14690
Feb '06	339.90	339.00	339.50	337.70	338.90	-1.00	20050

NCDEX Soy oil futures as on 02.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	340.60	339.10	339.55	337.70	338.85	3300	15530
Feb'06	341.50	341.00	341.20	339.30	340.50	6890	23530

Forex Rates

(As on 02.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.05
European Union	Euro	53.28
Japan	100 Yen	38.32
United Kingdom	Pound Sterling	77.51
Malaysia	Ringgit	11.92
China	CNY	5.58
Argentina	ARS	14.87
Brazil	BRL	19.27
Indonesia	1000 IDR	4.59

LATEST WEATHER WATCH (02.01.2006)

Forecast valid for next 72 hours

NORTH: Fairly widespread rainfall/snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Rain/thundershowers are likely at a few places over of Punjab, Haryana (Chandigarh & Delhi) and isolated over West Uttar Pradesh for next 2 days which will decrease from 4th January onwards. Weather will be mainly dry over East Uttar Pradesh.

EAST: Weather will be mainly dry over the region.

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

WEST: Scattered rain/thundershowers are likely over north Rajasthan and isolated over rest Rajasthan. Weather be mainly dry over rest of the region.

Source: IMD, GOI

PORT-WATCH (Latest):

Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'Cheras'. Seaport agents is handling the vessel. 'Laju Sejatra' is expected at Kolatta Port to discharge 4,000 MT of CPO.

'Spring Wind' has berthed at Cochin Port and continues to discharge 4,000 MT of CPO.

Delivery of 20,000 MT of SBO is continuing at Chennai Port from the vessel 'Stolt Excellence'. JM Baxi agents is handling the vessel.

Kakkinada Port is receiving 3,000 MT of CPO from the vessel 'Global Pallas'.

'Spring Glory' is expected at Tuticorin Port to discharge 7,000 MT of palm oil. The port is expecting 'Global Pallas' to deliver 5,200 MT of palm oil. St. John agents will be handling these vessels.

'Global Eos' from Indonesia is expected at Mumbai Port to deliver 7,299 MT of palm oil. Forbes Gokak agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Tuticorin	Spring Glory	7000	Palm Oil	Expected
	Global Pallas	5200	Palm Oil	Expected
Kolkata	Laju Sejatra	4000	CPO	Expected
	Cheras	6000	CPO	Arrived
Mumbai	Global Eos	7299	Palm Oil	Expected

Cochin	Spring Wind	4000	CPO	Arrived
Chennai	Stolt Excellence	20000	SBO	Arrived
Kakinada	Global Pallas	3000	CPO	Arrived

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