

VEGOIL

January 24, 2006

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Marginally Higher
- 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 continued to move in up direction after crossing its signal line, which indicates medium term bullish trends.
2. %K line continue to moving northwards after crossing % D line in neutral zone, which indicates bullish trends.
3. Close far above 9 days (345.68) and 18 days EMA (345.87), which indicates bullish market sentiments.
4. Candlestick pattern shows likely trend reversal.

All technical indicators showed bullish sentiments.

Market Advice: Market is indecisive and trend reversal is likely. It would be better to stay away.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	346.50	345.50	348.40	349.45

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 Remain closed Saturday and Sunday

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.

BMD CPO Futures Settle Marginally Higher

Crude palm oil future prices settled marginally higher at the end of session at the Bursa Malaysia Derivatives on Monday. The benchmark April CPO contract settled moderately higher MYR3 at MYR1439 per metric ton. Cargo surveyor Intertek Agri Services estimated Jan. 1-20 Malaysian palm oil exports at 670,392 tons; it is 4% up as compared to Dec 1-20. Another surveyor, SGS (Malaysia) Bhd., pegged Jan. 1-20 exports at 656,987 tons, it is 5% up as against Dec 120. Despite that, traders are hesitating to involve actively in trade only due to holiday ahead from Jan 30 -Feb 2, 2006. Only on Friday market would open for trade in next week. Traders are expecting little trade on Feb 3 i.e. Friday in next week. BMD is planning to revise margins. Production of Malaysian palm oil is expected to improve due to favourable monsoon and more supply of Indonesian palm oil may bring negative impact on Palm oil prices in coming days. However, it is also expected that demand for CPO may increase from bio-fuel sector due to high petroleum prices.

BMD: CPO Futures (23.01.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1424	1425	1425	1423	1425	+1	186
Mar 06	1429	1430	1434	1429	1432	+3	595
Apr 06	1437	1436	1440	1436	1439	+2	1330
May 06	1442	1442	1443	1440	1443	+1	358
Jun 06	1442	1440	1442	1440	1442	0	35

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices at physical markets are improved in most of the markets. Cargo surveyors SGS (Malaysia) Bhd and Intertek 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. Export demands for CPO may increase from bio fuel sector in coming days due to higher petroleum prices. CBOT settled higher on Friday. All these factors brought positive impact on palm oil prices and other edible oil. Palm oil prices are expected to move range bound with positive sentiments in near term.

FOB prices of CPO (February) were quoted at \$ 365 per tonnes and February RBD Palmolein at \$ 390 per tonnes.

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

Centres	23.01.06	21.01.06	Change
Kandla CPO (5 % FFA)	332	331	+1
Kandla RBD Palmolein	353	353	0
Mumbai RBD Palmolein	358	356	+2
Chennai RBD Palmolein	372	371	+1
Kakinada RBD Palmolein	351	350	+1
Hyderabad RBD Palmolein+Tax	355	354	+1

Soy oil

Today soybean oil prices at physical markets went up slightly in most of the markets. NCDEX and NBOT February soy oil future prices settled higher today as compared to previous closing prices. Soybean prices on spot markets are slightly improved today and quoted in range of Rs 1130-55 per quintal in Kota mandi. Today's arrivals of soybean diminished slightly as compared to previous trading day. Arrivals of soybean were around 70000, 25000-30000 and 15000-20000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan markets respectively. Arrivals of soybeans were 7000-8000 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 326 per 10 kg. CNF prices for soy degum (Jan15/Feb15 Shipment) at Kandla were quoted at \$ 485 per tonne.

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

Centres	23.01.06	21.01.06	Change
Mumbai (Soy Ref oil)+VAT	339	336	+3
Indore (Soy Ref oil)	344	343	+1
Indore (Solvent Ex. Oil)+VAT	321	319	+2
Kota (Soy Ref. Oil)	353	353	0
Jaipur (Soy Ref. Oil)	357	357	0
Chennai (Soy Ref Oil)	356	355	+1
Hyderabad (Soy Ref)	360	352	+8
Rajkot (Soy Ref)+Tax	335	333	+2

Rape/Mustard oil

Today mustard oil prices on physical markets are lacklustre. Mustard seed prices in physical market were quoted in the range of Rs 1400-1525 and 1730-1735 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 350-400, 600-700 and 1200-1500 bags in Neewai, Kota and Jaipur respectively. Harvesting of mustard crop has started in some pockets in Kota region and Neemuch (Madhya Pradesh). Arrivals of new mustard seeds were in range of 500-600 bags in Kota mandi today. February future prices settled lower on Delhi and Hapur exchange as compared to previous closing price. February future prices of mustard seed were quoted at Rs 332.9 (-0.60) and 340.35 (-1.25) per 20 Kg in Delhi and Hapur exchange respectively. Mustard oil prices are expected to move range bound with weak sentiments in near term.

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

Centres	23.01.06	21.01.06	Change
Mumbai (Rape Expeller Oil)	372	372	0
Kota (Rape Expeller Oil)	360	362	-2
Jaipur (Rape Expeller Oil)	364	364	0
Delhi (Rape Expeller Oil)	395	395	0
Neewai (Kachchi Ghani Rape Oil)	383	384	-1

Groundnut Refine Oil

Today groundnut oil prices at spot market slightly improved in Mumbai and Rajkot markets due to improvement in Soy oil prices. However, harvesting pressure in Andhra and Tamil Nadu brought negative impact on groundnut oil prices in South Indian markets. GN oil prices are expected to move range bound.

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

Centres	23.01.06	21.01.06	Change
Mumbai	437	435	+2
Rajkot	449	446	+3
Andhra Region	435	435	0
Chennai	440	445	-5

Sunflower Refine Oil

Sunflower oil prices went up moderately high in most of the physical markets today amidst increasing local demands at retail ends. Improvement in soy oil on spot market as well as future market brought positive impact on sunflower oils prices. 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.

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

Markets	23.01.06	21.01.06	Change
Mumbai +Vat	405	400	+5
Chennai	435	435	0
Hyderabad	406	402	+4

Cotton Refine Oil

Today cotton oil prices at physical markets range bounds with positive sentiments in most of the markets. Cotton oil prices are improved slightly due to higher prices for soy oil on physical markets and soy oil futures prices on NCDEX. Higher prices on Vaiyda Bazar brought positive impact on all edible oil. Cotton oil prices are expected to move range bound tomorrow.

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

Markets	23.01.06	21.01.06	Change
Mumbai	345	342	+3
Hyderabad	350	348	+2
Rajkot	345	344	+1

NBOT Soy oil futures as on 23.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	346.40	347.10	348.30	346.90	347.30	+0.90	19930
Mar '06	348.70	349.50	350.10	349.10	349.60	+0.90	3680

NCDEX Soy oil futures as on 23.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	346.80	347.00	348.80	347.00	347.15	6190	22110
Mar'06	348.85	349.00	350.65	349.00	349.20	4420	14570

Forex Rates**(As on 23.01.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.15
European Union	Euro	53.06
Japan	100 Yen	38.48
United Kingdom	Pound Sterling	78.60
Malaysia	Ringgit	11.79
China	CNY	5.48
Argentina	ARS	14.55
Brazil	BRL	19.46
Indonesia	1000 IDR	4.74

PORT-WATCH (Latest):**Edible Oil**

Mundra Port is expecting 'Rising One' to load 3,000 MT of SBO. Atlantic agents will be handling the vessel. The port is expecting 'Florida' to discharge 29,000 MT of SBO. The cargo was loaded from Argentina. Taurus agents will be handling the vessel.

'Florida' from Argentina is expected at Kandla Port to deliver 5,000 MT of SBO. The vessel will be handled by Interocean agents.

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

'Spring Glory' is expected at Kakkinada Port to deliver 6,000 MT of CPO. The port is expecting 'L Star' to discharge 6,000 MT of CPO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Florida	5000	SBO	Expected
Mundra Port	Rising One	3000	SBO	Expected
	Florida	29000	SBO	Expected
Kakinada	Spring Glory	6000	CPO	Expected
	L Star	6000	CPO	Expected
New Mangalore	Vernal Grace	6000	CPO	Expected

LATEST WEATHER WATCH (23.01.2006)

Forecast valid for next 72 hours

NORTH : Isolated rain/snow likely over Jammu & Kashmir and Himachal Pradesh for next 24 hours and may increase there after. Weather will be mainly dry over the rest region.

EAST : Isolated Rain/thundershower likely over northeast Assam and Arunachal Pradesh Weather will be mainly dry over 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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