

VEGOIL

January 12, 2006

MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Ref. Oil futures Settle Slightly Down
- CBOT Soy Futures Settle Lower
- BMD CPO Futures Settle Down

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD is remains moving upwards above its signal line, there is no signal of reversal in the current trend.
2. %K line is moving downwards in neutral territory after crossing %D line from up, which indicates bearish sentiments.
3. Close above 9 days EMA and below 18 days EMA, which indicates short term bearish trends.

Market Advice: Market sentiments are expected to move range bound with weak sentiments. Go short near 343.60, target near 342.60, put stop loss near=344.10.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Jan'06	343.45	343.15	344.30	344.80

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 End Down

Soy futures at Chicago Board of Trade settled lower on Tuesday. March soybean future settled off 5 cents at \$5.89 per bushel. May soybean closed off 4 cents at \$5.99 per bushel. March soybean oil closed off \$2.2 at \$182.4 per short ton and March soybean oil off 16 points at 22.43 cents per pound. Market in fact had nothing fresh in fundamentals, participants appeared to have positioning ahead of USDA report. The US Department of Agriculture will be releasing its monthly crop report on Thursday. People are concerned about likely upward revision in ending stock of soy for the year 2005-06. Traders are expecting that USDA could revise it up to 450 million bushels against its last month estimates of 405 million bushels. Apart from Stock factor, favorable weather reports from South American continent kept weighing on values.

CBOT Soy oil futures as 10.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	22.20	22.25	22.25	21.78	22.08	-0.12
Mar '06	22.59	22.58	22.62	22.10	22.40	-0.16
May '06	22.97	22.97	22.97	22.45	22.78	-0.19
Jul '06	23.31	23.31	23.31	22.82	23.15	-0.18
Aug '06	23.40	23.40	23.40	23.00	23.23	-0.17
Sep '06	23.50	23.55	23.55	23.15	23.33	-0.16
Oct '06	23.65	23.40	23.50	23.26	23.50	-0.15
Dec '06	23.90	23.90	23.90	23.45	23.75	-0.15

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Down

March South American soybeans settled 16.5 cents lower from the yesterday closing to \$ 6.20 per bushel. Outlook for better weather in Argentina and a slower than expected demand pace from China leaves the soybean market settling down. With a shifting weather pattern in Argentina, crops may recover from the stressful dry conditions, and without a major weather disruption in South America, world ending stocks for soybeans could swell to a record 48.11 million tonnes for the 2005/2006 season, which is up from 42.09 million tonnes last year and 35.18 million tonnes two years ago. China officials are not optimistic about controlling bird flu into the Chinese New Year at the end of the month. In Turkey, there are more than 70 people suspected of having bird flu with 15 confirmed, and the news of the disease spreading may have added to the bearish tone yesterday.

BMD CPO Futures Settle Lower

Crude Palm oil futures at Bursa Malaysia Derivatives settled lower on couple of bearish releases. Benchmark March future settled off MYR6 at MYR1417 per ton. Nothing came out of the blue from monthly crop data. Malaysian Palm Oil Board put its estimates for Palm oil production in December at 1.07 million ton, down 12.3% on

month basis. MPO stocks at the end of December plunged to record low at 1.603 million ton. Poor export was blamed for the rising stock, which MPOB put at 1.02 million ton. Situation of export has even not been very encouraging so far this month. Cargo Surveyor SGS, estimated the MPO export at 301,825 ton, down 3.5% on month basis. Overnight weak closing of soy futures at CBOT also had bearish impact on BMD futures.

BMD: CPO Futures (11.01.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1411	1410	1411	1404	1407	-4	440
Feb 06	1418	1416	1419	1407	1413	-5	1411
Mar 06	1423	1418	1425	1411	1417	-6	3369
Apr 06	1428	1420	1428	1416	1420	-8	1830
May 06	1431	1430	1430	1422	1422	-9	10

BMD remains closed on Saturday and Sunday.

Palm Oil

Palm oil prices at physical market were range bound today in most of the markets. Palm oil prices were lackluster due to increasing stock of Malaysian palm oil. BMD CPO future settled lower today. CBOT soy oil future prices settled down on Tuesday. Palm oil prices are expected to move range bound in near term.

FOB prices of CPO (January) were last quoted at \$ 357.50 per tonnes and RBD Palmolein at \$ 390 per tonnes.

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

Centres	11.01.06	10.01.06	Change
Kandla CPO (5 % FFA)	325	325	0
Kandla RBD Palmolein	355	353	+2
Mumbai RBD Palmolein	362	360	+2
Chennai RBD Palmolein	370	370	0
Kakinada RBD Palmolein	355	355	0
Hyderabad RBD Palmolein+Tax	374	375	-1

Soy oil

Today domestic soy oil prices remains range bound with weak sentiments in most of the markets with low demands at retail ends. January soy oil prices are settled marginally lower on NCDEX today as compared to previous closing prices. CBOT soy oil future prices settled down on Tuesday. Today's arrivals of soybeans were 45000-50,000, 25000-30,000, 30000, 20,000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra, Rajasthan and Gujarat markets. Arrivals of soybeans were about 5500-6000 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 (January Shipment) at Kandla were quoted at \$ 480 per tonne.

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

Centres	11.01.06	10.01.06	Change
Mumbai (Soy Ref oil)+VAT	338	340	-2
Indore (Soy Ref oil)	344	343	-1
Indore (Solvent Ex. Oil)+VAT	319	319	0
Kota (Soy Ref. Oil)	355	355	0
Jaipur (Soy Ref. Oil)	358	358	0
Nagpur (Soy ref. Oil)	344	346	-2
Chennai (Soy Ref Oil)	354	354	0
Hyderabad (Soy Ref)	378	380	-2
Rajkot (Soy Ref)+Tax	336	336	0

Rape/Mustard oil

Mustard oil prices at physical market were lacklustre in most of the markets today only because the festival demands are over. Mustard seeds prices are slightly marginally declined. Mustard seed prices were quoted in Kota and Jaipur Rs 1475/quintal and 1690/quintal respectively. Today's arrivals of mustard seeds were 1000 bags and 3000 bags in Kota and Jaipur respectively. Mustard oil prices are expected to move range bound with weak sentiments.

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

Centres	11.01.06	10.01.06	Change
Mumbai (Rape Expeller Oil)	368	367	+1
Kota (Rape Expeller Oil)	355	356	-1
Jaipur (Rape Expeller Oil)	362	362	0
Delhi (Rape Expeller Oil)	382	383	-1
Neewai (Kachchi Ghani Rape Oil)	375	375	0
Kota (Kachchi Ghani Rape oil)	372	372	0

Groundnut Refine Oil

Groundnut oil prices at spot market remains went down slightly today in most of the markets amidst low demands at retail ends. Demand for GN oil slightly declined because festival demands are likely over in major parts of India. There is another reason to decline of groundnut oil prices due to mixing of low priced oil in GN oil like soy oil and rice bran oil. There was no arrival of groundnut seeds in Gujarat mandi today due to holiday for a Muslim festival (Eid-ul-zuha). GN oil prices are expected to move range bound with weak sentiments.

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

Centres	11.01.06	10.01.06	Change
Mumbai	443	444	-1
Rajkot	452	455	-3
Andhra Region	443	443	0
Chennai	445	445	0

Sunflower Refine Oil

Market sentiments of sunflower oil at spot markets were weak slightly today. Sunflower oil prices were low in most of the markets due to huge availability of low priced oil as compared to sunflower oil like cotton oil and soy oil in the markets. There is news that sunflower oil is expected to

import about 8500 metric tonnes at Chennai port today. CIF prices for Sunflowers (January Shipment) at Kandla were quoted at \$ 562 per tonnes. Sunflower oil prices are expected to move range bound with weak sentiments in near term.

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

Markets	11.01.06	10.01.06	Change
Mumbai	400	405	-5
Chennai	448	450	-2
Hyderabad	425	427	-2

Cotton Refine Oil

Cotton oil prices on physical markets showed dull trends today in most of the markets due to lack of demands at retail ends. Festival demands are likely over. There were good arrival of cottonseeds and huge availability of other edible oil in the market. Cottonseeds prices are slightly declined in the market. The above mentioned points brought negative impact on its prices. Cotton oil prices are expected to move range bound with weak sentiments in near term.

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

Markets	11.01.06	10.01.06	Change
Mumbai	350	352	-2
Hyderabad	352	353	-1
Rajkot	345	345	0

NBOT Soy oil futures as on 11.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	343.00	343.00	343.50	342.50	343.00	0.00	18870
Feb '06	345.90	347.30	347.90	345.80	345.90	0.00	40650

NCDEX Soy oil futures as on 11.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	344.35	344.00	344.50	343.70	343.75	1290	8290
Feb'06	347.60	347.70	348.20	346.15	346.55	7090	24090

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

Kolkatta Port is receiving 13,047 MT of SBO from the vessel 'Stolt Excellence'. JM Baxi agents is handling the vessel. 'Laju Sejahtera' has berthed at Kolkatta Port and continues to discharge 4,500 MT of CPO. Atlantic agents is handling the vessel.

Delivery of 8,500 MT of sun flower oil is expected at Chennai Port from the vessel 'Bunga Marwar'. GAC agents will be handling the vessel. The port is expecting the delivery of 1,860 MT of palm oil from the vessel 'Mega Crown I'. The vessel will be handled by Seaport agents.

'Aditi' is expected at JN Port to deliver 20,000 MT of CPO.

Kakkinada Port is expecting 'Ace I' and 'Golden Crown' to deliver 4,000 MT of CPO each.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Stolt Excelence	13047	SBO	Arrived
	Laju Sejhtra	4500	CPO	Arrived
JN Port	Aditi	20000	CPO	Expected
Chennai	Mega Crown 1	1860	Palm Oil	Expected
	Bunga Marwar	8500	SFO	Expected
Kakinada	Ace I	4000	CPO	Expected

Forex Rates

(As on 11.01.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.04
European Union	Euro	53.06
Japan	100 Yen	38.38
United Kingdom	Pound Sterling	77.25
Malaysia	Ringgit	11.79
China	CNY	5.46
Argentina	ARS	14.39
Brazil	BRL	19.46
Indonesia	1000 IDR	4.65

LATEST WEATHER WATCH (11.01.2006)

Forecast valid for next 72 hours

NORTH: Weather will be mainly dry over the region.

EAST: Weather will be mainly dry over the region.

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

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

Low Temperature warning:

Ground frost is likely over some parts of Punjab, Haryana, North Rajasthan, Uttar Pradesh and Bihar during next 1-2 nights.

Source: IMD, GOI

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