

VEGOIL

January 19, 2006

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Slightly Down
- CBOT Soy Futures Settle Lower
- NCDEX February Soy Oil Future Prices Settle Lower

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD has just turned downward and crossed its signal line from up, it indicates medium term bearish trends.
2. %K line is moving downwards in oversold territory, but there is no clear-cut signal for trend reversal.
3. Close far below 9 days (345.01) and 18 days (345.84) EMA, which indicates bearish trends.
4. Candlestick formed long leg 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 Feb '06	342.10	341.20	343.90	344.90

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 Lower

Soy future settled lower on Chicago Board of Trade Tuesday. March soybeans settled lower 5.25 cents at \$ 5.7125 per bushel, 8 cents off the high and 1.75 cents up from the low and May soybeans settled lower 4.75 at \$ 5.8075, it was 1.25 cents up from the low and 7.75 cents off the high. March soybean oil settled lower 0.45 cents at 21.22 cents/pounds, 0.28 cents off the high and 0.06 cents up from the low. Argentina received good rain at the weekend and Southern Brazil also received light rains. Rains in South America would bring positive impact on production of soybeans and added bearish tone. The NOPA crush report revealed December crush at 142.245 million bushels as compared with trade expectations range from 142-147 million bushel. December oil stocks were pegged at 1.829 billion pounds it is up from 973.4 million pounds last year during the same period.

CBOT Soy oil futures as 17.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	21.67	21.50	21.50	21.16	21.22	-0.45
May '06	22.09	21.83	21.84	21.53	21.63	-0.46
Jul '06	22.45	22.15	22.18	21.88	21.99	-0.46
Aug '06	22.53	22.22	22.35	22.05	22.14	-0.39
Sep '06	22.63	22.40	22.48	22.20	22.27	-0.36
Oct '06	22.75	22.55	22.65	22.35	22.43	-0.32
Dec '06	23.05	22.78	22.90	22.62	22.67	-0.38

CBOT remains closed on Saturday and Sunday.

South American Soybeans Futures Settle Higher

South American soybeans future settled slightly higher on Tuesday. March South American soybeans settled 5 cents higher at \$6.07/bushel as compared to previous closing price. The weather for the South American crops for this week seems to be comfortable than last week's threat. Low demand than expected for crush in the US, the downward selling pressure might continued due to warm and dry conditions for early this week. The NOPA crush report today revealed December crush at 142.245 million bushels as compared with trade expectations in range of 142-147 million bushels. Huge export from US on Friday to unknown destination helped support the market.

BMD CPO Futures Settle Slightly Down

Crude palm oil futures settled slightly down on the Bursa Malaysia Derivatives Wednesday. The benchmark April CPO contract settled at MYR1430/metric ton, it is down by MYR2 from previous closing prices. It seems that there were not much movement in prices throughout the day. CBOT soy oil future prices settled lower on Tuesday brought negative impact on crude palm oil prices on BMD. Traders are not much enthusiastic in trading during this period due to long holiday at the end of this month and there is no clear-cut direction for future trading. Most of the

traders are decided to square off the position and wait due to long holiday in Malaysia. The CPO futures market will be closed from Jan. 30 to Feb. 2 for Chinese New Year and other national holidays. There is no fresh fundamental news to boost up its prices. Cargo surveyors SGS (Malaysia) Bhd are due to issue estimates Friday for Malaysian palm oil exports in the Jan. 1-20 period. Traders are not expecting any drastic change in the figures.

BMD: CPO Futures (18.01.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1421	1420	1420	1417	1420	-1	457
Mar 06	1428	1425	1427	1422	1426	-2	716
Apr 06	1432	1428	1432	1427	1430	-2	872
May 06	1435	1430	1434	1430	1433	-2	166
Jun 06	1438	0	1438	0	1438	0	0

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices at physical markets were range bound with weak sentiments in most of the market. CBOT settled lower on Tuesday. KLC settled marginally lower on Wednesday. There is no fresh fundamental news to boost up its prices. Cargo surveyors SGS (Malaysia) Bhd are due to issue estimates Friday for Malaysian palm oil exports in the Jan. 1-20 period. Traders are not expecting any drastic change in the figures. Palm oil prices are expected to move range bound in near term.

FOB prices of CPO (January) were last quoted at \$ 360 per tonnes and February RBD Palmolein at \$ 390 per tonnes.

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

Centres	18.01.06	17.01.06	Change
Kandla CPO (5 % FFA)	326	326	0
Kandla RBD Palmolein	350	350	0
Mumbai RBD Palmolein	354	356	-2
Chennai RBD Palmolein	369	-	-
Kakinada RBD Palmolein	352	354	-2
Hyderabad RBD Palmolein+Tax	359	-	-

Soy oil

Today soybean oil prices at physical markets are remains range bound with weak sentiments amidst low demand at retail ends. Today's arrivals of soybean were 60000-65000, 40000-45000, 25000 and 15000-20000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra, Rajasthan and Gujarat markets respectively. Arrivals of soybeans were 5000 bags in Kota only. Soybean prices were quoted Rs 1135-45 per quintal on spot market in Kota. NCDEX and NBOT February soy oil future prices settled lower today as compared to previous closing prices. KLC settled lower today as compared to previous closing price. Soy oil prices are expected to move range bound with weak sentiments tomorrow.

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 \$ 475 per tonne.

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

Centres	18.01.06	17.01.06	Change
Mumbai (Soy Ref oil)+VAT	334	334	0
Indore (Soy Ref oil)	341	342	-1
Indore (Solvent Ex. Oil)+VAT	317	320	-3
Kota (Soy Ref. Oil)	350	-	-
Jaipur (Soy Ref. Oil)	353	-	-
Chennai (Soy Ref Oil)	353	353	0
Hyderabad (Soy Ref)	345	-	-
Rajkot (Soy Ref)+Tax	329	-	-

Rape/Mustard oil

Mustard oil prices on physical market are improved in Kota and Jaipur mandi today. Today mustard oil prices in physical market were quoted Rs 1350-1520 and 1710 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 500-700 and 1500-2000 bags in Kota and Jaipur respectively. According to local traders, the arrivals of new mustard seeds were 100 bags in Kota and its prices were quoted Rs 1350/qlt in physical market. New mustard seed were quoted slightly weak only due to moisture. February future prices are settled higher on Delhi and Hapur exchange as compared to previous closing price. February future prices of mustard seed were quoted Rs 333.7 (+3.70) and 343.1 (+4.1) per 10 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	18.01.06	17.01.06	Change
Mumbai (Rape Expeller Oil)	369	369	0
Kota (Rape Expeller Oil)	360	358	+2
Jaipur (Rape Expeller Oil)	363	362	+1
Delhi (Rape Expeller Oil)	395	395	0
Neewai (Kachchi Ghani Rape Oil)	-	-	-

Groundnut Refine Oil

Today groundnut oil prices showed dull trend in most of the markets amidst low demands at retail ends. Prices of groundnut oil went down only because the harvesting pressure in south India. More supply of groundnut seeds brought negative impact on its prices. GN oil prices are expected to move range bound in near term.

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

Centres	18.01.06	17.01.06	Change
Mumbai	438	440	-2
Rajkot	449	453	-4
Andhra Region	432	-	-
Chennai	440	-	-

Sunflower Refine Oil

Sunflower oil prices were showed lackluster in most of the physical markets today. CIF prices for Sunflowers (Jan15/Feb/15 Shipment) at Kandla port were quoted at \$ 544 per tonnes, it is down by \$ 8 per ton as compared to yesterday. Sunflower oil prices are expected to move range bound with weak sentiments.

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

Markets	18.01.06	17.01.06	Change
Mumbai +Vat	398	398	0
Chennai	435	-	-
Hyderabad	385	-	-

Cotton Refine Oil

Cotton oil prices at physical markets went down slightly today.. There were good arrival of cottonseeds and huge availability of other edible oil in the market. There was lack of any pushy fundamental news to boost the market sentiments. Cotton oil prices are expected to move range bound with poor sentiments in near term.

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

Markets	18.01.06	17.01.06	Change
Mumbai	343	344	-1
Hyderabad	345	-	-
Rajkot	340	342	-2

NBOT Soy oil futures as on 18.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	344.00	342.70	343.40	341.80	342.80	-1.20	344.00
Mar '06	345.10	343.10	344.70	343.00	344.20	-0.90	345.10

NCDEX Soy oil futures as on 18.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	342.90	341.50	342.10	338.60	342.00	1390	4640
Feb'06	344.05	343.25	343.60	341.80	343.15	5690	22070
Mar'06	345.45	344.30	345.00	343.00	344.50	3960	12980

Forex Rates**(As on 18.01.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.31
European Union	Euro	53.73
Japan	100 Yen	38.53
United Kingdom	Pound Sterling	78.30
Malaysia	Ringgit	11.81
China	CNY	5.50
Argentina	ARS	14.57
Brazil	BRL	19.20
Indonesia	1000 IDR	4.69

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

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.

Chennai Port is expecting `MMM Houston' to discharge 3,000 MT of palm oil.

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

Delivery of 13,250 MT of SBO is expected at Kandla Port from the vessel `Aditi'. The cargo was loaded from Argentina. Interoccean agents will be handling.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Aditi	13250	SBO	Expected
Mundra Port	Florida	29000	SBO	Expected
Chennai	MMM Houston	3000	Palm Oil	Expected
Kakinada	Spring Glory	6000	CPO	Expected
New Manglore	Vernal Grace	6000	CPO	Expected

LATEST WEATHER WATCH (18.01.2006)

Forecast valid for next 72 hours

NORTH: Rain /Snow is likely **at a few places** over Jammu & Kashmir and Himachal Pradesh and Uttaranchal., isolated rain/thundershowers also likely over Punjab during next 24 hours. Weather will be mainly dry over the rest region.

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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