

VEGOIL

January 25, 2006

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Lower
- CBOT Soy Futures Settle Moderately Higher
- 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 continued to moves in up direction after bullish crossing its signal line, which indicates medium term bullish trends.
2. %K line has just turned eastwards above % D line in neutral zone, which is hinting trend reversal.
3. Close above 9 days (345.78) and 18 days EMA (345.91), which indicates bullish market sentiments.
4. Candlestick pattern shows indecisive market.

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	345.50	344.90	347.30	348.40

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 Slightly Higher

Soy future settled higher at Chicago Boards of Trades on Monday. March Soybeans future settled up 6.50 cent at \$ 5.7450/bushel, 2 cent off the high and 6 cent up from the low. May Soybeans closed up at 7.25 cent at \$5.85/bushel, it was 6.25 cent up from the low and 2 cent off the high. March Soybean finished up \$ 1.1 at \$ 180.5/ton, it was \$ 1.0 up from the low and \$ 1.6 off the high. March Soybean Oil settled higher 0.24 cent at 21.52 cent/pound, 0.17 cent off the high and 0.12 cent up from the low. The market saw some momentum due to technical buying with positive market sentiments and also gained buying support with the view that Argentina weather condition is warmer and drier than expectations. Traders believe that South American crops are not doing as well as predicted last week.

CBOT Soy oil futures as 23.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar 06	21.28	21.45	21.69	21.40	21.52	+0.24
May'06	21.63	21.83	22.03	21.77	21.85	+0.22
Jul '06	22.00	22.20	22.36	22.13	22.22	+0.22
Aug'06	22.13	22.30	22.36	22.30	22.36	+0.23
Sep'06	22.28	22.68	22.68	22.45	22.51	+0.23
Oct '06	22.44	-	-	-	22.64	+0.20
Dec'06	22.75	22.85	23.07	22.85	22.92	+0.17

CBOT remains closed on Saturday and Sunday.

South American Soybeans Futures Settle Higher

South American soybeans future settled high on Friday. March South American soybeans closed 3 cents higher as compared to previous closing price. Lower in the US dollar and increased interest in US dollar-based commodities helped to gain the prices up. Due to commercial buying on Friday, it gained positive tone for the market. With bullish weekly export sales data and speculation of more cargoes sold to China, the positive tone is likely to continue.

BMD CPO Futures Settle Lower

Crude palm oil future settled lower on the Bursa Malaysia Derivatives on Tuesday. The benchmark April CPO contract settled MYR6 lower at MYR1433/metric ton. Trading activities were sluggish on BMD due to 4 days holiday ahead from Jan 30 to Feb 2 i.e Monday to Thursday. (Jan 30-31 holiday on the occasion of Chinese New Years, Feb.1 holiday on the occasion of first day of Muahrram month and holiday on Feb 2 for Federal territory day). Only Friday would be trading day in next week and expected to low trade on that day. Traders are hesitating to take new positions due to holiday ahead and waiting for SGS estimates of Jan 120 exports. Cargo surveyor Intertek Agri Services and SGS (Malaysia) Bhd. are scheduled to Wednesday issue Malaysian palm oil export estimates for the first 25 days of January, and most traders expectations are slightly higher as compared to December 1-25. Last week, Intertek estimated Jan. 1-20 exports at 670,392 tons, up 4% on month, while SGS pegged the number at 656,987 tons, up 5% as compared to Dec 120.

BMD: CPO Futures (24.01.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1425	1426	1426	1418	1420	-5	465
Mar 06	1432	1432	1434	1423	1426	-6	957
Apr 06	1439	1439	1441	1429	1433	-6	2730
May 06	1442	1443	1444	1433	1436	-6	674
Jun 06	1445	1440	1440	1440	1440	-5	5

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices at physical markets were lacklustre in most of the markets. CBOT settled higher on Monday. KLCE settled lower on Tuesday. Trading activities were sluggish on BMD due to 4 days holiday ahead from Jan 30 to Feb 2 i.e Monday to Thursday. (Jan 30-31 holiday on the occasion of Chinese New Years, Feb.1 holiday on the occasion of first day of Muahrram month and holiday on Feb 2 for Federal territory day).

Palm oil prices are expected to move range bound.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	24.01.06	23.01.06	Change
Kandla CPO (5 % FFA)	332	332	0
Kandla RBD Palmolein	353	353	0
Mumbai RBD Palmolein	358	358	0
Chennai RBD Palmolein	372	372	0
Kakinada RBD Palmolein	350	351	-1
Hyderabad RBD Palmolein+ Tax	354	355	-1

Soy oil

Today soybean oil prices at physical markets range bound with weak sentiments in most of the markets. NCDEX and NBOT February soy oil future prices settled lower today as compared to previous closing prices. Soybean prices on spot markets were quoted remains in range of Rs 1130-55 per quintal in Kota mandi. Today's arrivals of soybean were remains around 70000, 25000-30000 and 15000-20000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan markets respectively. Arrivals of soybeans were 6000-7000 bags in Kota only. There was no fresh fundamental news to boost up the prices. Soy oil prices are expected to move range bound.Prices for soy degum (High-Seas) at Kandla were quoted at Rs 324 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	24.01.06	23.01.06	Change
Mumbai (Soy Ref oil)+VAT	339	339	0
Indore (Soy Ref oil)	344	344	0
Indore (Solvent Ex. Oil)+VAT	323	321	+2
Kota (Soy Ref. Oil)	353	353	0
Jaipur (Soy Ref. Oil)	357	357	0
Chennai (Soy Ref Oil)	356	356	0
Hyderabad (Soy Ref)	362	363	-1
Rajkot (Soy Ref)+Tax	334	335	-1

Rape/Mustard oil

Today mustard oil prices on physical markets were range bound with positive sentiments. 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. Arrivals of new mustard seeds were in range of 500-600 bags in Kota mandi today. February future prices of mustard seed settled slightly higher, it was quoted at Rs 333.3 (+0.30) on Delhi exchange. However February mustard seed prices were settled marginally lower at Rs 339.9 (+0.45) on Hapur exchange for per 20 Kg. Mustard oil prices are expected to move range bound in near term.

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

Centres	24.01.06	23.01.06	Change
Mumbai (Rape Expeller Oil)	374	372	+2
Kota (Rape Expeller Oil)	362	360	+2
Jaipur (Rape Expeller Oil)	366	364	+2
Delhi (Rape Expeller Oil)	395	395	0
Neewai (Kachchi Ghani Rape Oil)	383	383	0

Groundnut Refine Oil

Today groundnut oil prices at spot market were steady in most of the markets except Gujarat markets. GN oil prices were declined in Gujarat slightly due to low demands at retail ends. GN oil prices are expected to move range bound.

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

Centres	24.01.06	23.01.06	Change
Mumbai	437	437	0
Rajkot	445	448	-3
Andhra Region	435	435	0
Chennai	440	440	0

Sunflower Refine Oil

Sunflower oil prices were constant in most of the physical markets today except Andhra regions. Sunflower oil prices were weak slightly in Andhra region due to harvesting pressure of groundnut seeds in Andhra Pradesh. CIF prices for Sunflowers (February Shipment) at Kandla port were quoted at \$ 534 per tonnes; it is down by Rs 7 from yesterday. Sunflower oil prices are expected to move range bound in near term.

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

Markets	24.01.06	23.01.06	Change
Mumbai +Vat	405	405	0
Chennai	435	435	0
Hyderabad	403	406	-3

Cotton Refine Oil

Today cotton oil prices at physical markets were likely unchanged in most of the markets except Gujarat. Cotton oil prices are slightly down due to low prices for soy oil on physical markets and soy oil futures prices on NCDEX. Low prices on Vaiyda Bazar brought negative impact on its prices. Cotton oil prices are expected to move range bound in near term.

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

Markets	24.01.06	23.01.06	Change
Mumbai	345	345	0
Hyderabad	350	350	0
Rajkot	341	345	-4

NBOT Soy oil futures as on 24.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	347.30	346.50	346.70	345.40	345.50	-1.80	16000
Mar '06	349.60	348.50	348.80	347.60	347.70	-1.90	3630

NCDEX Soy Futures Settle Slightly Lower

Soy oil future prices settled lower at NCDEX on Tuesday. NCDEX February soy oil prices are settled Rs 1.00 down on Tuesday at Rs 346.20 per 10 Kg, it was Rs 1.20 off the high and Rs 0.40 up from the low. Soy oil prices are expected to move range bound with weak sentiments.

NCDEX Soy oil futures as on 24.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	347.20	347.00	347.40	345.80	346.20	5140	20660
Mar'06	349.25	349.00	349.05	347.50	348.10	4990	14760

PORT-WATCH (Latest):

Edible Oil

'Florida' from Argebtina has berthed at Mundra Port and continues to discharge 29,000 MT of SBO. Taurus agents is handling the vessel. Mundra Port is expecting 'Rising One' to load 3,000 MT of SBO. Atlantic agents will be handling the vessel.

Kakkinada Port is receiving 6,000 MT of CPO from the vessel 'L Star'. 'Spring Glory' is expected at Kakkinada Port to deliver 6,000 MT of CPO.

'Global Neptune' has berthed at Mumbai Port and continues to deliver 9,233 MT of palm oil. Forbes Gokak agents is handling the vessel.

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

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

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Florida	5000	SBO	Expected
Mundra Port	Rising One	3000	SBO	Expected
	Florida	29000	SBO	Arrived
Kakinada	Spring Glory	6000	CPO	Expected
	L Star	6000	CPO	Arrived
New Mangalore	Vernal Grace	6000	CPO	Arrived
Mumbai	Global Neptune	9233	Palm Oil	Arrived

Forex Rates (As on 24.01.2006)		
Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.21
European Union	Euro	54.36
Japan	100 Yen	38.57
United Kingdom	Pound Sterling	78.96
Malaysia	Ringgit	11.82
China	CNY	5.49
Argentina	ARS	14.57
Brazil	BRL	19.65
Indonesia	1000 IDR	4.68

LATEST WEATHER WATCH (24.01.2006)

Forecast valid for next 72 hours

NORTH: Weather will be mainly dry over the region.

EAST: Isolated Rain/thundershower likely over Orissa and Gangetic west Bengal. 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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