

VEGOIL

January 16, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Oil Futures Settle Lower
- NCDEX February Soy Oil Future Prices Settle Higher

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD is continued 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 short term bearish sentiments.
3. Close above 9 days EMA and just below 18 days EMA, which indicates short-term bullish trends.
4. Candlestick pattern shows the slightly bullish sentiments.

Market Advice: Prices are expected to move range bound. Go long with cautions. Buy near 346.00, target near 347.30, stop loss near 345.50.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	344.00	343.20	347.70	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 Oil Futures Settle Lower

Soy future settled mixed on Chicago Board of Trade Friday. March soybean settled higher 4.5 cents at \$ 5.765 per bushel, 0.5 cents off the high and 6.5 cents up from the low and soybeans settled higher 4 cents at \$5.855 per bushels, 7 cents up from the low and 0.5 cents off the high. March soybean oil settled lower 0.02 cents at 21.67cents/pounds, 0.04 cents off the high and 0.17 cents up from the low. March soybean future were slightly higher just after lower opening prices on Chicago Board of Trade only because there were talk that china is buying US soybean. US ending stock of soybean is projected at 505 million bushels, it is second highest stock of US soybean in the history. It is expected to receive good rain in Argentina and there is forecast for little more rain in Southern Brazil. World ending stocks for the 2005-06 season were pegged at 53.15 million tonnes from 48.11 million tonnes last month and from 44.90 million tonnes this past season. The above mentioned points shows the bearish trends and talk of China buying US soybeans is only supported to move higher future market sentiments on CBOT.

CBOT Soy oil futures as 13.01.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Jan '06	21.43	-	-	-	21.26	-0.17
Mar 06	21.69	21.70	21.71	21.50	21.67	-0.02
May'06	22.05	21.98	22.10	21.86	22.09	+0.04
Jul '06	22.45	22.35	22.45	22.22	22.45	0
Aug'06	22.54	22.55	22.55	22.36	22.53	-0.01
Sep'06	22.65	22.60	22.65	22.50	22.63	-0.02
Oct '06	22.78	-	-	-	22.75	-0.03
Dec'06	23.02	23.00	23.05	22.90	23.05	+0.03

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Lower

South American soybeans future settled lower on Friday. March South American soybean settled lower at \$ 6.02 per bushel. USDA indicated that soybean production of Argentina and Brazil may increase after receiving good rain. It is forecasting that Argentina will receive good rain into weekend and scattered rain is expected for Southern Brazil. Traders hope that weather does not looks much threat for South America and expecting good production and more ending stock. A record world ending stock of soybean and US soybean supported to bearish trends. Ending stock of US soybean increased only due to low export sales from China and Europe and strong competitions between US soybean and South American soybean. Talk that China bought 8-12 cargo US soybeans were only cause to move higher future market sentiments on CBOT.

BMD remains closed on Saturday and Sunday

BMD: CPO Futures (13.01.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jan 06	1410	1409	1409	1407	1407	-3	95
Feb 06	1414	1410	1415	1410	1414	0	436
Mar 06	1417	1410	1420	1410	1419	+2	1996
Apr 06	1421	1415	1426	1415	1425	+4	1266
May 06	1423	1421	1428	1420	1428	+5	375

BMD remains closed on Saturday and Sunday.

Palm Oil

Most of the physical markets were closed today except Mumbai market due to Makar Sankranti and Pongal festival. Pongal is most important festival in South India. February soy oil future prices settled higher on NCDEX and NBOT today as compared to previous closing prices. CBOT soy oil future prices settled down on Friday. Palm oil prices are expected to move range bound in near term.

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

Centres	14.01.06	13.01.06	Change
Kandla CPO (5 % FFA)	Closed	324	-
Kandla RBD Palmolein	-	352	-
Mumbai RBD Palmolein	355	355	0
Chennai RBD Palmolein	Closed	369	-
Kakinada RBD Palmolein	Closed	354	-
Hyderabad RBD Palmolein+Tax	Closed	365	-

Soy oil

Most of the physical markets were closed today due to Makar sankranti and Pongal festival. February soy oil future prices settled higher on NCDEX and NBOT today as compared to previous closing prices. CBOT soy oil future prices settled down on Friday. Soy oil prices are expected to move range bound.

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	14.01.06	13.01.06	Change
Mumbai (Soy Ref oil)+VAT	335	336	-1
Indore (Soy Ref oil)	Closed	342	-
Indore (Solvent Ex. Oil)+VAT	Closed	319	-
Kota (Soy Ref. Oil)	Closed	354	-
Jaipur (Soy Ref. Oil)	Closed	358	-
Nagpur (Soy ref. Oil)	-	345	-
Chennai (Soy Ref Oil)	Closed	354	-
Hyderabad (Soy Ref)	Closed	365	-
Rajkot (Soy Ref)+Tax	Closed	334	-

Rape/Mustard oil

Mustard oil prices at physical market were range bound with weak sentiments. February future prices are settled lower on Delhi and Hapur exchange as compared to previous closing price. February future prices of mustard seed were quoted Rs 329.30 and 338.20 per Kg in Delhi and Hapur exchange respectively. Most of the markets are closed today due to festivals. Mustard oil prices are expected to move range bound in near term.

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

Centres	14.01.06	13.01.06	Change
Mumbai (Rape Expeller Oil)	369	370	-1
Kota (Rape Expeller Oil)	Closed	358	-
Jaipur (Rape Expeller Oil)	Closed	362	-
Delhi (Rape Expeller Oil)	385	387	-2
Neewai (Kachchi Ghani Rape Oil)	-	375	-
Kota (Kachchi Ghani Rape oil)	Closed	375	-

Groundnut Refine Oil

Most of the physical markets were closed today except Mumbai market due to Makar Sankranti and Pongal festival. Pongal is most important festival in South India. GN oil prices were steady in Mumbai markets. GN oil prices are expected to move range bound with weak sentiments.

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

Centres	14.01.06	13.01.06	Change
Mumbai	438	438	0
Rajkot	Closed	451	-
Andhra Region	Closed	447	-
Chennai	Closed	445	-

Sunflower Refine Oil

Most of the physical markets were closed today except Mumbai market due to Makar Sankranti and Pongal festival. Pongal is the most important festival in South India. Today sunflower oil prices were slightly declined in Mumbai markets. CIF prices for Sunflowers (Jan15/Feb/15 Shipment) at Kandla port were quoted at \$ 552 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	14.01.06	13.01.06	Change
Mumbai	398	400	-2
Chennai	Closed	448	-
Hyderabad	Closed	420	-

Cotton Refine Oil

Cotton oil prices at physical markets are shows the dull trend today as compared to previous day amidst low demands at retail ends. There was no fresh news to boost up to its prices. There were good arrival of cottonseeds and huge availability of other edible oil in the market. 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	14.01.06	13.01.06	Change
Mumbai	345	347	-2
Hyderabad	Closed	351	-
Rajkot	Closed	342	-

NBOT Soy oil futures as on 14.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Jan '06	343.30	0.00	343.70	0.00	343.70	+0.40	0
Feb '06	344.50	344.50	346.70	343.80	346.60	+2.10	30360
Mar '06	345.20	345.50	347.80	345.50	347.80	+2.60	0

NCDEX Soy oil futures as on 14.01.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Jan 06	343.10	342.00	345.00	342.00	345.00	1510	6830
Feb'06	344.80	344.40	346.75	344.20	346.50	4430	23880

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.

'Golden Crown' has berthed Kakkinada Port and continues to deliver 4,000 MT of CPO. Kakkinada Port received 4,000 MT of CPO from the vessel 'Ace I'.

Delivery of 6,000 MT of CPO is continuing at New Mangalore Port from the vessel 'Vernal Grace'. James Mackintosh agents will be handling the vessel.

Chennai 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.

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

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Stolt Excellence	13047	SBO	Arrived
JN Port	Aditi	20000	CPO	Expected
Mundra Port	Florida	29000	SBO	Expected
New Mangalore	Vernal Grace	6000	CPO	Arrived
Chennai	Mega Crown 1	1860	Palm Oil	Expected
Kakinada	Ace I	4000	CPO	Arrived
	Golden Crown	4000	CPO	Arrived

LATEST WEATHER WATCH (14.01.2006)

Forecast valid for next 72 hours

NORTH: Isolated to scattered rain /snow is likely to commence over Jammu & Kashmir and Himachal Pradesh from today evening which may subsequently increase and extend into Uttaranchal. Isolated to scattered rain/thundershowers likely over Punjab and Haryana from 15th. Weather will be mainly dry over the rest region.

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers are likely at many places with isolated heavy to very heavy fall over southern parts of Kerala and Lakshadweep; at a few places over south Tamil Nadu and isolated over rest Tamil Nadu, Kerala and Andaman & Nicobar Islands. Weather will be Mainly dry in the rest region.

WEST: Isolated rain/thundershowers likely over north Rajasthan from 15th. Weather will be mainly dry over the region.

Source: IMD, GOI

Forex Rates		(As on 14.01.2006)
Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.90
European Union	Euro	53.46
Japan	100 Yen	39.28
United Kingdom	Pound Sterling	79.68
Malaysia	Ringgit	12.03
China	CNY	5.56
Argentina	ARS	14.84
Brazil	BRL	19.24
Indonesia	1000 IDR	4.85

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