

VEGOIL

January 4, 2006

MAJOR ACTIVITY HIGHLIGHTS

- NCDEX January Soy Refine Oil Settle Up
- NBOT January Soy Refine Oil Settle UP
- BMD CPO Futures Settle Higher

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX January Contract

Technical Analysis for January Contract:

1. The MACD has just turned upwards from below and crossed its signal line, which is indicating bullish sentiments.
2. Stochastic is moving upwards in the neutral territory, indicating bullish sentiments.
3. Close below 5 days EMA (342.34) and above 7 days EMA (341.28) indicates short term bullish trend.
4. Candlestick formed Marubozu pattern, which indicates bullish market sentiments.

All technical indicators shows bullish trends.

Market Advice: Go long near= 342, target near =343.50, put stop loss=341.40

Resistance & Support Levels (Most Active Contract)

| Contract | Supp 1 | Supp 2 | Res 1 | Res 2 |
|--------------|--------|--------|--------|--------|
| NCDEX Jan'06 | 340.00 | 338.00 | 342.80 | 343.75 |

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 : Closed (Happy New Year's Holiday)

CBOT Soy oil futures as 30.12.2005 (Cents/pound)

| Months | Prev. Settle | Open | High | Low | Close | Change |
|---------|--------------|-------|-------|-------|-------|--------|
| Jan '06 | 20.90 | 20.90 | 21.35 | 20.80 | 21.30 | +0.40 |
| Mar '06 | 21.16 | 21.23 | 22.00 | 21.12 | 21.90 | +0.74 |
| May '06 | 21.55 | 21.61 | 22.25 | 21.50 | 22.14 | +0.59 |
| Jul '06 | 21.85 | 21.90 | 22.45 | 21.80 | 22.32 | +0.47 |
| Aug '06 | 22.01 | 22.01 | 22.25 | 21.95 | 22.25 | +0.24 |
| Sep '06 | 22.11 | 22.11 | 22.40 | 22.11 | 22.40 | +0.29 |
| Oct '06 | 22.35 | 22.35 | 22.70 | 22.25 | 22.52 | +0.17 |
| Dec '06 | 22.60 | 22.65 | 23.00 | 22.50 | 22.95 | +0.35 |

CBOT remains closed on Saturday and Sunday.

Crude Palm Oil Futures at BMD Settle Higher

Crude palm oil future settled higher at the Bursa Malaysia Derivatives on Tuesday. The CPO benchmark of March contract ended up MYR 14 at MYR1429 per metric ton. Market was closed on Monday for New Year's Day. Increase in Palm oil prices was credited to strength in soyoil futures at Chicago Board of Trade. There is tough competition between soy oil and palm oil; both are assumed as traditional rival. SGS (Malaysia) estimated that the Malaysia's palm oil exports in December at 991,222 metric tons, which is down 3.9% from 1,031,353 tons in November 2005. Official export figure and December production are due to be released by the Malaysian Palm Oil Board on Jan. 11, 2006. Malaysian palm oil output is scheduled to decline due to the seasonal factors. Palm oil production declined during November to February.

BMD: CPO Futures (03.01.2006) (Ringgit/ton)

| Months | Previous | Open | High | Low | Close | Change | Volume |
|--------|----------|------|------|------|-------|--------|--------|
| Jan 06 | 1397 | 1405 | 1410 | 1401 | 1410 | +13 | 256 |
| Feb 06 | 1409 | 1419 | 1423 | 1417 | 1420 | +11 | 792 |
| Mar 06 | 1415 | 1425 | 1430 | 1422 | 1429 | +14 | 3383 |
| Apr 06 | 1418 | 1432 | 1433 | 1426 | 1433 | +15 | 1069 |
| May 06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

BMD remains closed on Saturday and Sunday.

Government of India has revised base import duty w.e.f. January 2, 2006. Details are as follows:

(Unit: US \$/MT)

| Items/Commodities | Revised Tariff w.e.f. 02/01/06 | Previous Tariff rate | Change (US \$) |
|--------------------|--------------------------------|----------------------|----------------|
| CPO | 417 | 433 | -16 |
| RBD Palm Oil | 432 | 435 | -3 |
| Other Palm Oil | 425 | 434 | -9 |
| Crude Palm Olein | 418 | 440 | -22 |
| RBD Palm Olein | 421 | 445 | -24 |
| Other Palm Olein | 420 | 443 | -23 |
| Crude Soybean Oils | 497 | 510 | -13 |

Source: PIB, GOI.

Palm Oil

Palm oil prices at physical market were range bound with weak sentiments. Government of India has revised base import prices; revised base import prices are declined from \$3 to \$ 24 per metric tonnes. Palm oil import may increase due to low base import prices. More import of edible oil would bring negative impact on its prices. Rice bran oil prices are low in comparison to palm oil. Palm oil prices are expected to move range bound.

FOB prices of CPO (January) were last quoted at \$ 355 per tonnes and RBD Palmolein at \$ 392 per tonnes.

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

| Centres | 03.01.06 | 02.01.06 | Change |
|-------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA) | 333 | 334 | -1 |
| Kandla RBD Palmolein | 355 | 355 | 0 |
| Mumbai RBD Palmolein | 368 | 368 | 0 |
| Chennai RBD Palmolein | 373 | 374 | -1 |
| Kakinada RBD Palmolein | 355 | 358 | -3 |
| Hyderabad RBD Palmolein | 390 | 390 | 0 |

Soy oil

Today domestic soy oil prices are improved slightly amidst increasing demand at retail ends. NCDEX and NBOT January soyoil prices settled up today as compared to previous closing prices. KLCE is also settled up. Arrivals of soybean are declined slightly in most of the markets. Today's arrivals of soybeans were 75000, 25000, 30000, 18000-20000 bags (1 bags= 85 kg) in Madhya Pradesh, Maharashtra, Rajasthan and Gujarat markets. Arrivals of soybean in Kota mandi were 5000 bags only. Low arrivals of soybeans and higher settlement of NCDEX January Soy oil prices are the cause for improvement in soyoil prices at physical market. Soy oil prices are expected to move range bound with positive sentiments.

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 | 03.01.06 | 02.01.06 | Change |
|------------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 338 | 335 | +3 |
| Indore (Soy Ref oil) | 337 | 336 | +1 |
| Indore (Solvent Ex. Oil)+VAT | 313 | 311 | +2 |
| Kota (Soy Ref. Oil) | 347 | 345 | +2 |
| Jaipur (Soy Ref. Oil) | 350 | 348 | +2 |
| Nagpur (Soy ref. Oil) | 343 | 341 | +2 |
| Chennai (Soy Ref Oil) | 355 | 356 | -1 |
| Hyderabad (Soy Ref) | 365 | 365 | 0 |
| Rajkot (Soy Ref) | 342 | 345 | -3 |

Rape/Mustard oil

Mustard oil prices at physical market remain went down slightly in most of the markets amidst low demands at retail ends. Mustard seed prices are also declined slightly in most of the markets. Mustard seed prices were quoted in Kota

and Jaipur Rs 1460-80/quintal and 1680/quintal respectively. Sowing acreage of mustard seed is increased this year as compared to last two years. There is favourable weather for production. There is huge availability of other low priced edible oil in the market. Harvesting of mustard seed are expected from 15th January 2006 onwards. Harvesting of Toria is already started. Mustard oil prices are expected to move range bound.

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

| Centres | 03.01.06 | 02.01.06 | Change |
|---------------------------------|----------|----------|--------|
| Mumbai (Rape Expeller Oil) | 366 | 368 | -2 |
| Kota (Rape Expeller Oil) | 352 | 354 | -2 |
| Jaipur (Rape Expeller Oil) | 356 | 358 | -2 |
| Delhi (Rape Expeller Oil) | 380 | 378 | +2 |
| Neewai (Kachchi Ghani Rape Oil) | 369 | 367 | +2 |
| Kota (Kachchi Ghani Rape oil) | 370 | 375 | -5 |

Groundnut oil

Domestic markets prices of groundnut oil went up slightly in Gujarat amidst increasing demand at retail ends and low arrivals in Gujarat. Arrivals of groundnut are declined as compared to previous trading day. Arrivals of groundnut were around 70,000-75,000 bags in Gujarat (1 bag= 35 Kg). Low arrivals were major factor to increase GN oil prices in Gujarat. GN oil prices are expected to move range bound.

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

| Centres | 03..01.06 | 02..01.06 | Change |
|---------------|-----------|-----------|--------|
| Mumbai | 440 | 440 | 0 |
| Rajkot | 460 | 456 | +4 |
| Andhra Region | 445 | 447 | -2 |
| Chennai | 445 | 445 | 0 |

Sunflower Oil

Today market sentiments of Sunflower oil were range bound with sentiments. Market sentiments were sluggish due to low base import prices revised by government of India and huge stock of other low priced edible oil in the markets. Sunflower oil prices are expected to move range bound in near term.

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

| Markets | 03.01.06 | 02.01.06 | Change |
|-----------|----------|----------|--------|
| Mumbai | 410 | 410 | 0 |
| Chennai | 460 | 460 | 0 |
| Hyderabad | 430 | 433 | -3 |

Cotton Oil

Cotton oil prices on physical markets were mixed. Cotton oil prices are went up slightly in Gujarat and Mumbai market only due to increasing demands at retail ends. Cotton oil prices are slightly low in South Indian markets due to low demands of cotton oil at retail ends. Cotton oil prices are expected to range bound in near term.

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

| Markets | 03.01.06 | 02.01.06 | Change |
|-----------|----------|----------|--------|
| Mumbai | 345 | 342 | +3 |
| Hyderabad | 350 | 350 | 0 |
| Rajkot | 335 | 330 | +5 |

NBOT Soy oil futures as on 03.01.2006 (Rs/10 kg)

| Months | Previous Closing | Open Price | High Price | Low Price | Close Price | Change | Volume |
|---------|------------------|------------|------------|-----------|-------------|--------|--------|
| Jan '06 | 337.60 | 338.00 | 340.40 | 338.00 | 340.40 | +2.80 | 12600 |
| Feb '06 | 338.90 | 339.30 | 342.20 | 339.30 | 342.10 | +3.20 | 28450 |

NCDEX Soy oil futures as on 03.01.2006 (Rs/10 kg)

| Months | Previous Closing | Open Price | High Price | Low Price | Close Price | Volume | Open Interest |
|--------|------------------|------------|------------|-----------|-------------|--------|---------------|
| Jan 06 | 338.85 | 339.75 | 341.90 | 339.15 | 341.90 | 3870 | 14590 |
| Feb'06 | 340.50 | 341.40 | 344.50 | 341.00 | 344.15 | 6670 | 23300 |

Forex Rates (As on 03.01.2006)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------------|-----------------|
| USA | Dollar | 44.95 |
| European Union | Euro | 53.46 |
| Japan | 100 Yen | 38.34 |
| United Kingdom | Pound Sterling | 77.72 |
| Malaysia | Ringgit | 11.91 |
| China | CNY | 5.57 |
| Argentina | ARS | 14.84 |
| Brazil | BRL | 19.23 |
| Indonesia | 1000 IDR | 4.60 |

LATEST WEATHER WATCH (03.01.2006)

Forecast valid for next 72 hours

NORTH: Fairly widespread rainfall/snowfall is likely during next 2 days over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Only isolated rain/thundershowers are likely over sub-mountainous regions of Punjab and over West Uttar Pradesh for next 24 hours only. Fog is likely over Punjab, Haryana, Delhi and West Uttar Pradesh from tomorrow. Weather will be mainly dry over the rest region.

EAST : Mainly dry weather in the region.

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

WEST: Weather be mainly dry over the region. Fog is likely over north Rajasthan.

Source: IMD, GOI

PORT-WATCH (Latest):

'Global Eos' from Indonesia has berthed at Mumbai Port and continues to deliver 7,299 MT of palm oil. Forbes Gokak agents is handling the vessel.

'Spring Glory' has berthed at Tuticorin Port and continues to discharge 7,000 MT of palm oil. St.John agents is handling the vessel. The port is expecting 'Global Pallas' to deliver 5,200 MT of palm oil. St. John agents will be handling these vessels.

'Laju Sejahtera' has berthed at Kolkatta Port and continues to discharge 4,500 MT of CPO. Atlantic agents is handling the vessel. Delivery of 6,000 MT of CPO is continuing at Kolkata Port from the vessel 'Cheras'. Seaport agents is handling the vessel.

'Spring Wind' has berthed at Cochin Port and continues to discharge 4,000 MT of CPO. The vessel is being handled by Interocean agents.

Delivery of 20,000 MT of SBO is continuing at Chennai Port from the vessel 'Stolt Excellence'. JM Baxi agents is handling the vessel.

Kakinada Port is receiving 3,000 MT of CPO from the vessel 'Global Pallas'.

Current Vessels Positions

| Ports | Vessels | Volume (Ton) | Carrying | Status |
|-----------|------------------|--------------|----------|----------|
| Tuticorin | Spring Glory | 7000 | Palm Oil | Arrived |
| | Global Pallas | 5200 | Palm Oil | Expected |
| Kolkata | Laju Sejahtera | 4500 | CPO | Arrived |
| | Cheras | 6000 | CPO | Arrived |
| Mumbai | Global Eos | 7299 | Palm Oil | Arrived |
| Cochin | Spring Wind | 4000 | CPO | Arrived |
| Chennai | Stolt Excellence | 20000 | SBO | Arrived |
| Kakinada | Global Pallas | 3000 | CPO | Arrived |

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