

VEGOIL

February 11, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Higher
- BMD CPO Futures Settle Up on Positive Sentiments
- NCDEX February Soy Oil Future Prices Settle Slightly Lower

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD is moving in up direction continuously in positive zone, which indicates bullish market sentiments.
2. %K line has turned downwards in overbought zone and crossed % D line from above, which indicates bearish market sentiments.
3. Prices closed far above 9 days (360.44) and 18 days (356.05) EMA, which indicates bullish market sentiments.

4. Candlestick pattern shows bearish market sentiments.

Market Advice: Sell near 367.50, target near 366.00, put stop loss at 366.90.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	365.40	363.50	370.20	373.10

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 Higher

March Soybeans settled up 9.75 cents at \$5.8775/bushel, 6.25 cents off the high and 10.25 cents up from the low. May Soybeans settled up 10.50 cents at \$6.0175/bushel which was 10.75 cents up from the low and 5.25 cents off the high. March Soybean Oil settled up \$1.4 at \$181.6/ton that was \$1.6 up from the low and \$2.2 off the high. March Soybean Oil settled up 0.5 cents at 22.65 cents/pound, 0.1 cents off the high and 0.53 cents up from the low. In spite of bearish news from the USDA weekly supply and demand report the market gain high due to hike in prices of metals and sellers remained weak on selling side for grain market helped to boost the market up. Expectation of lower production for Brazil and South American crops by traders due to recent drier weather could also be the reason for gaining strength. US cumulative sales remained 59.9% as compared to 61.3% of the USDA forecast. Meal sales recorded at 133,300 MT, higher than expectation of 50,000-125,000 MT.

CBOT Soy oil futures as 09.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	22.15	22.17	22.75	22.12	22.65	+0.50
May '06	22.58	22.63	23.15	22.52	23.08	+0.50
Jul '06	22.95	23.00	23.49	22.95	23.48	+0.53
Aug '06	23.09	23.55	23.59	23.20	23.59	+0.50
Sep '06	23.23	-	-	-	23.74	+0.51
Oct '06	23.38	23.60	23.85	23.60	23.85	+0.47
Dec '06	23.68	23.70	24.20	23.70	24.20	+0.52

CBOT remains closed on Saturday and Sunday.

South American Soybeans Futures Settle Higher

March South American soybeans settle 18 cents higher on Thursday to \$6.13/bushel as compared to previous closing price. Forecast for Southern Brazil and Argentina remains dry for next week. Expectation of lower production for Brazil and South American crops by traders due to recent drier weather could also be the reason for gaining strength. Strength in other grain markets helped to gain the strength for soybean and spurt the market up. Long positions held by traditional traders leads to high open interest, which support the traders psychology that soybean market may not experience sharp fall on account of coming South American harvest.

BMD CPO Futures Settle Higher

Crude palm oil futures at the Bursa Malaysia Derivatives settled up on Friday. The benchmark April CPO contract settled at MYR1466 per metric ton it is up by MYR2 from Thursday after moving between MYR1455 and MYR1467. BMD CPO futures followed the higher soy oil futures on the Chicago Board of Trade. Malaysian Palm Oil Board revealed in its monthly report that palm oil stocks totaled 1,539,796 tons at the end of January, it is down by 4% on month and Malaysian palm oil exports down by 5.8% on month to 963,931 tons in January. Cargo surveyor Intertek

Agri Services estimated Feb. 1-10 Malaysian palm oil exports at 333,305 tons, it is up by 19.43 as against Jan 1-10. Another surveyor, SGS (Malaysia) Bhd., pegged Feb. 1-10 exports at 322,421 tons, it is up by 6.82% during the same period. Higher export estimates for the Feb. 1-10 period as compared to Jan 1-10, brought positive sentiments in the markets.

BMD: CPO Futures (10.02.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1452	1455	1458	1450	1458	+6	268
Mar 06	1455	1457	1460	1449	1460	+5	630
Apr 06	1464	1465	1467	1455	1466	+2	2480
May 06	1465	1465	1470	1459	1470	+5	948
Jun 06	1468	1467	1470	1467	1470	+2	15

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets moved up slightly in most of the markets. BMD CPO settled higher today. Import of Malaysian palm oil from India declined by 48.49 per cent during the period of February 1-10, 2006 as compared to January 1-10, 2006. These factors brought positive impact on its prices. Palm oil prices are expected to move range bound in near term.

FOB prices of CPO (February) were quoted at \$ 385 per tonnes and February RBD Palmolein at \$ 405 per tonnes.

Palm oil - Spot Market Price

(Rs. per 10 kg)

Centres	10.02.06	09.02.06	Change
Kandla CPO (5 % FFA)	342	340	+2
Kandla RBD Palmolein	359	359	0
Mumbai RBD Palmolein	367	367	0
Chennai RBD Palmolein	376	375	+1
Kakinada RBD Palmolein	360	356	+4
Hyderabad RBD Palmolein	376	370	+6

Soy oil

Today soybean oil prices on physical markets went up in most of the markets. NCDEX and NBOT March soy oil future prices open firm and declined slightly later on today as compared to previous closing prices. Today's arrivals of soybean were 45000-50000, 20000-25000, 15000-16000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra, Rajasthan mandi respectively. Arrivals in Kota Mandi were 3000 bags only. Today soybeans prices on spot market were quoted in range of Rs 1150-70/qlt in Kota mandi, it is higher as compared to previous trading day. Higher soybean seeds brought positive impact on soy oil. Soy oil prices are expected to move range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 332 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 505 per tonne.

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

Centres	10.02.06	09.02.06	Change
Mumbai (Soy Ref oil)+VAT	351	351	0
Indore (Soy Ref oil)	360	355	+5
Indore (Solvent Ex. Oil)+VAT	336	332	+4
Kota (Soy Ref. Oil)	370	365	+5
Jaipur (Soy Ref. Oil)	375	369	+6
Chennai (Soy Ref Oil)	367	365	+2
Hyderabad (Soy Ref)	367	362	+5
Rajkot (Soy Ref)+Tax	346	345	+1

Rape/Mustard oil

Today mustard oil prices on spot markets moved up in most of the markets. Today mustard seeds prices were quoted in range of Rs 1500-1570 and Rs 1750-1770 in Kota and Jaipur mandi respectively, it is higher as compared to previous trading day. Higher prices of mustard seeds brought positive impact on its prices. Mustard futures on NCDEX went up slightly today as compared to previous closing prices. Arrivals of mustard seeds were 3000 bags and 2000 bags in Kota and Jaipur Mandi respectively. Mustard oil prices are expected to move range bound with positive sentiments.

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

Centres	10.02.06	09.02.06	Change
Mumbai (Rape Expeller Oil)	378	373	+5
Kota (Rape Expeller Oil)	370	365	+5
Jaipur (Rape Expeller Oil)	375	368	+7
Delhi (Rape Expeller Oil)	393	393	0
Neewai (Kachchi Ghani Rape Oil)	388	383	+5

Groundnut Refine Oil

Today groundnut oil prices on spot market showed lacklustre in most of the markets amidst low demand at retail ends. GN oil prices are declined slightly in Chennai markets only because harvesting started in some pockets in Tamil Nadu. Groundnut prices were quoted at Rs338/20 kg in Rajkot mandi today. Arrivals of groundnut seeds in Gujarat remain at 40000-45000 bags (1bags=35 Kg). GN oil prices are expected to move range bound in near term.

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

Centres	10.02.06	09.02.06	Change
Mumbai	437	437	0
Rajkot	448	448	0
Andhra Region	438	435	+3
Chennai	430	435	-5

Sunflower Refine Oil

Sunflower oil prices on physical markets showed positive sentiments in most of the markets. Improvement in soy oil prices brought positive impact on sunflower oil prices in most of the markets. CIF prices for sunflowers (February Shipment) at Kandla port were quoted at \$ 550 per tonnes. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	10.02.06	09.02.06	Change
Mumbai +Vat	405	400	+5
Chennai	430	433	-3
Hyderabad	425	420	+5

Cotton Refine Oil

Today cotton oil prices on domestic spot market went up slightly in most of the markets. Cotton oil prices follows soy oil prices on spot markets. Arrivals of cottonseeds declined slightly in Madhya Pradesh. Prices are expected to move range bound with positive sentiments in near term.

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

Markets	10.02.06	09.02.06	Change
Mumbai	368	361	+7
Hyderabad	360	355	+5
Rajkot	351	350	+1

NBOT Soy oil futures as on 10.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	361.10	361.50	362.50	358.30	358.30	-2.80	15250
Mar '06	369.50	370.00	370.00	366.20	366.70	-2.80	54400

NCDEX Soy Oil Futures Settle Lower

Soy oil futures prices settled lower at NCDEX on Friday. NCDEX March soy oil prices settled lower Rs 2.30 at Rs 367.30/10 Kg, it was Rs 3.90 off the high and Rs 0.90 up from the low after moving in between of Rs 366.40 to Rs 371.20. Soy oil prices are expected to move range bound in near term.

NCDEX Soy oil futures as on 10.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	361.40	360.00	363.45	359.20	360.25	5620	9930
Mar'06	369.60	370.90	371.20	366.40	367.30	19030	18970

LATEST WEATHER WATCH (10.02.2006)**Forecast valid for next 72 hours**

NORTHWEST: Isolated light rain/snow likely over Jammu & Kashmir and Himachal Pradesh on 12th & 13th. Weather will be mainly dry over the region.

EAST: Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim on 10th & 11th. Weather will be mainly dry over the rest region.

NORTHEAST: Isolated rain/thundershowers likely on 10th & 11th over the region.

SOUTH: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the region.

WEST: Weather will be mainly dry over the region.

CENTRAL: Weather will be mainly dry over the region.

Source: IMD, GOI

Forex Rates (As on 10.02.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.21
European Union	Euro	53.01
Japan	100 Yen	37.52
United Kingdom	Pound Sterling	77.24
Malaysia	Ringgit	11.86
China	CNY	5.48
Argentina	ARS	14.41
Brazil	BRL	20.44
Indonesia	1000 IDR	4.78

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

Kandla Port is receiving 12,250 MT of CPO from the vessel 'Global Neptune'. The cargo was loaded from Malaysia. Forbes Gokak agents is handling the vessel.

'Global Triton' has berthed at Chennai Port and is continuing to discharge 4,930 MT of palm oil. 'Bunga Melati Dua' is expected at Chennai Port to discharge 9,000 MT of sun flower oil. GAC agents will be handling the vessel.

Delivery of 26,000 MT of SBO is continuing at Mundra Port from the vessel 'Champion Vincita'. Interoccean agents is handling the vessel.

Delivery of 6,000 MT of palm oil is continuing at Tuticorin Port from the vessel 'Spring Glory'. St. John agents is handling the vessel. The port is expecting 'Global Triton' to deliver 7,299 MT of palm oil. Patvolk agents will be handling the vessel.

'Vernal Grace' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. The vessel is being handled by Atlantic agents. The port is receiving 13,000 MT of SBO from the vessel 'Merkur'. Seaport agents is handling the vessel.

Mormugao Port is expecting 'Global Eos' to deliver 3,500 MT of CPO. The cargo was loaded from Indonesia. Patvolk agents will be handling the vessel.

Cochin Port is expecting 'Rising One' to deliver 3,000 MT of SBO. Atlantic agents will be handling the vessel.

Delivery of 4,000 MT of CPO is expected at Kakkinada Port from the vessel 'Cheras'.

'Nolowati' is expected at Mumbai Port to discharge 11,000 MT of CPO.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Cochin	Rising One	3000	SBO	Expected
Mundra Port	Champion Vincita	26000	SBO	Arrived
Mormugao	Global Eos	3500	CPO	Expected
Chennai	Bunga Melati Dua	9000	SFO	Expected
	Global Triton	4930	Palm Oil	Arrived
Kolkata	Merkur	13000	SBO	Arrived
	Vernal Grace	6000	CPO	Arrived
Tuticorin	Spring Glory	6000	Palm Oil	Arrived
	Global Triton	7299	Palm Oil	Expected
Kandla	Global Neptune	12250	CPO	Arrived
Kakinada	Cheras	4000	CPO	Expected
Mumbai	Nolowati	11000	CPO	Expected

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