

VEGOIL

February 06, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD is continuously moving northwards and reached in overbought zone, which is hinting likely trend reversal.
2. %K line is moving upwards after crossing % D line from below in neutral zone, which indicates bullish market sentiments.
3. Prices closed far above 9 days (347.46) and 18 days EMA (346.90), which indicates bullish market sentiments.

4. Candlestick pattern shows bullish trends.

Market Advice: Market is expected to move range bound. Go long with caution. Buy near 347.80 with target near 350.20 and put stop loss at 348.40.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	347.80	347.10	350.40	351.60

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

Soy futures settled high at Chicago Boards of Trades on Friday. March Soybeans settled up 10.75 cents at \$5.9475/bushel off the high and 13.75 cents up from the low. May Soybeans closed up 10.75 cents at \$6.07 cents, which was 14 cents up from the low and 3 cents off the high. March Soybean meal settled up \$2.1 at \$184.0/ton, which was \$3.1 up from the low and \$2.0 off the high. March Soybean Oil settled up 0.71 cents at 22.66 cents/pound, 0.02 cents off the high and 0.73 cents up from the low. Strength in the market was driven by strong and effective fund buying which helped to boost up. The Vegetable Oils Industry Association in Brazil pegged the soybean crop at 57.1 million tonnes which is down from 57.4 million in the January 10th forecast but still up from last years. However, good rains in Argentina's soybean growing belt and healthy crop condition in Brazil limited the gains.

CBOT Soy oil futures as 03.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	21.95	21.95	22.68	21.93	22.66	+0.71
May '06	22.39	22.39	23.08	22.34	23.07	+0.68
Jul '06	22.74	22.80	23.45	22.70	23.42	+0.68
Aug '06	22.88	22.85	23.54	22.85	23.54	+0.66
Sep '06	22.99	23.00	23.68	23.00	23.68	+0.69
Oct '06	23.12	23.25	23.80	23.25	23.80	+0.68
Dec '06	23.48	23.60	24.15	23.55	24.15	+0.67

CBOT remains closed on Saturday and Sunday.

South American soybean Futures Settle Lower

March South American soybeans settled 5 cents lower on Friday to \$6.05/bushel. Export premiums remain still high in Brazil and producers still reluctant to sell their produce with a strong Brazil currency and relatively low soybean values. However, the selling will increase once the harvesting gets momentum. The production in Brazil and Argentina is expected to increase this year and if comes true, we will definitely witness a flood of supply and the consequent pressure on the prices. Adding to this the stock position with U.S. is also high creating further bearish sentiments for the coming times.

BMD remain closed on Saturday and Sunday

BMD: CPO Futures (03.02.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1428	1433	1433	1422	1422	-6	142
Mar 06	1436	1438	1444	1432	1432	-4	678
Apr 06	1443	1446	1450	1437	1438	-5	2316
May 06	1448	1450	1455	1445	1445	-3	1169
Jun 06	1450	0	1450	0	1450	0	0

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets improved slightly in most of the markets. Palm oil prices climbs behind soyoil prices on spot markets, because both are traditional rival of each other. Palm oil prices are expected to move range bound in near term.

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

Centres	04.02.06	03.02.06	Change
Kandla CPO (5 % FFA)	336	335	+1
Kandla RBD Palmolein	354	354	0
Mumbai RBD Palmolein	361	360	+1
Chennai RBD Palmolein	374	372	+2
Kakinada RBD Palmolein	350	349	+1
Hyderabad RBD Palmolein	370	365	+5

Soy oil

Today soybean oil prices at physical markets went up slightly in most of the markets. NCDEX and NBOT February soy oil future prices settled higher on Saturday as compared to previous closing prices. Strength in the market was driven by strong and effective fund buying which helped to boost up. CBOT settled higher on Friday brought positive impact in the market. The Vegetable Oils Industry Association in Brazil pegged the soybean crop at 57.1 million tonnes which is down from 57.4 million in the January 10th forecast but still up from last years. Arrivals of soybean are declined slightly as compared to previous trading day. Today's arrivals of soybean were 40000-45000, 20000-22000, 12000-13000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. Arrivals of soybean are about 2500 bags in Kota only. Soy oil prices are expected to move range bound with positive sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 325 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 499 per tonne.

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

Centres	04.02.06	03.02.06	Change
Mumbai (Soy Ref oil)+VAT	341	340	+1
Indore (Soy Ref oil)	344	343	+1
Indore (Solvent Ex. Oil)+VAT	320	319	+1
Kota (Soy Ref. Oil)	356	353	+3
Jaipur (Soy Ref. Oil)	360	357	+3
Chennai (Soy Ref Oil)	358	358	0
Hyderabad (Soy Ref)	360	360	0
Rajkot (Soy Ref)+Tax	337	335	+2

Rape/Mustard oil

Today mustard oil prices on spot markets surged in most of the markets due to improvement of vayda bazaar and low arrivals mustards seeds in most of the markets. Mustard seed prices in physical market were quoted in range of Rs 1460-1515 and Rs 1705-1710 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 1200 bags and 1500 bags in Kota and Jaipur respectively. February future prices of mustard seeds are increased at 335.90 (+0.70) and 341.90 (+040) in Delhi and Hapur exchange respectively. Mustard oil prices are expected to move range

bound with weak sentiments due to harvesting pressure in coming days.

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

Centres	04.02.06	03.02.06	Change
Mumbai (Rape Expeller Oil)	369	365	+4
Kota (Rape Expeller Oil)	362	360	+2
Jaipur (Rape Expeller Oil)	366	365	+1
Delhi (Rape Expeller Oil)	390	381	+9
Neewai (Kachchi Ghani Rape Oil)	380	379	+1

Groundnut Refine Oil

Today groundnut oil prices at spot market improved in Rajkot and Andhra region and prices in Mumbai and Chennai market remain constant. According to local traders of Andhra and Rajkot, prices are slightly improved due to increased local demand at retail ends. According to them, purchasing power of salaried person is increasing in first 10 days of every month. Improvements of soy oil prices are brought positive impact on its prices. Groundnut prices quoted at Rs333/20 kg in Rajkot mandi today. Arrivals of groundnut seeds in Gujarat were about 45000-50000 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	04.02.06	03.02.06	Change
Mumbai	431	431	0
Rajkot	445	438	+7
Andhra Region	435	430	+5
Chennai	435	435	0

Sunflower Refine Oil

Sunflower oil prices remain unchanged in most of the markets in India. There was no fresh fundamental news to push up or pull down its prices. CIF prices for Sunflowers (February Shipment) at Kandla port were quoted at \$ 543 per tonnes, it is increased to Rs \$2 per ton as compared to previous trading day. Sunflower oil prices are expected to move range bound with weak sentiments in coming days.

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

Markets	04.02.06	03.02.06	Change
Mumbai +Vat	395	395	0
Chennai	430	430	0
Hyderabad	415	415	0

Cotton Refine Oil

Today cotton oil prices on domestic spot market remains range bound with positive sentiments in most of the markets. Improvement of vayda bazaar brought positive impact on all edible oil prices. Cotton oil prices are followed palm oil and soy oil prices on spot markets. Prices are expected to move range bound in near term.

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

Markets	04.02.06	03.02.06	Change
Mumbai	346	343	+3
Hyderabad	345	345	0
Rajkot	345	343	+2

NBOT Soy oil futures as on 04.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	346.20	347.50	348.90	347.30	348.90	+2.70	6570
Mar '06	351.30	353.20	355.30	353.00	355.30	+4.00	11280

NCDEX Soy Oil Futures Settle Up

Soy oil future prices settled up at NCDEX on Friday. NCDEX February soy oil prices settled up Rs 2.90 at Rs 349.90 per 10 Kg, it was Rs 0.70 off the high and Rs 1.40 up from the low. February soy oil prices moved in range of Rs 348.50 to Rs 349.90. CBOT settled higher on Friday brought positive impact on NCDEX. The Vegetable Oils Industry Association in Brazil pegged the soybean crop at 57.1 million tonnes which is down from 57.4 million in the January 10th forecast but still up from last years Arrivals of soybean declined slightly in major markets of India. Soy oil prices are expected to move range bound in near term.

NCDEX Soy oil futures as on 04.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	347.70	348.85	350.60	348.50	349.90	7510	14810
Mar'06	351.95	352.45	355.75	352.45	355.60	9450	14670

LATEST WEATHER WATCH (04.02.2006)

Forecast valid for next 72 hours

NORTH: Weather will be mainly dry over the region.

EAST: Isolated rain/thundershowers likely over northeastern States and Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region.

SOUTH: Isolated rain/thundershowers are likely over Nicobar island, Tamil Nadu and Kerala. Weather will be **Mainly dry** in the rest region.

WEST: Weather will be **mainly dry** over the region.

Source: IMD, GOI

Forex Rates (As on 04.02.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.15
European Union	Euro	53.06
Japan	100 Yen	37.12
United Kingdom	Pound Sterling	77.81
Malaysia	Ringgit	11.79
China	CNY	5.48
Argentina	ARS	14.34
Brazil	BRL	19.89
Indonesia	1000 IDR	4.75

PORT-WATCH (Latest):

Edible Oil

'Nogogini' from Indonesia has berthed at Kandla Port and continues to deliver 4,000 MT of CPO. The vessel is being handled by JM Baxi agents. Delivery of 5,300 MT of SBO is continuing at Kandla Port from the vessel 'Chemstar Princess'. The cargo was loaded from Brazil. Interocean agents is handling the vessel.

Chennai Port is receiving 4,000 MT of palm oil from the vessel 'MMM Jackson'. The vessel is being handled by Seaport agents. Delivery of 3,005 MT of palm oil is continuing at Chennai Port from the vessel 'MMM Houston'. Seaport agents is handling the vessel. 'Global Triton' is expected at the port to discharge 4,000 MT of palm oil. Patvolk agents will be handling the vessel.

'Feng Sheng You' has berthed at Kolkata Port and continues to deliver 5,000 MT of CPO. GAC agents is handling the vessel. The port is receiving 5,800 MT of CPO from the vessel 'Global Pallas'. Seaport agents is handling the vessel. 'Merkur' is expected at Kolkata Port to deliver 13,000 MT of SBO.

Kakkinada Port is receiving 3,000 MT of CPO from the vessel 'Ace I'. 'Filma Satu' is expected at the port to deliver 6,000 MT of CPO.

Mundra Port is expecting 'Rising One' to load 3,000 MT of SBO. Atlantic agents will be handling the vessel. Delivery of 26,000 MT of SBO is expected at Mundra Port from the vessel 'Champion Vincita'. Interocean agents will be handling the vessel.

'Rising One' is expected at Cochin Port to discharge 3,000 MT of SBO. Atlantic agents is handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Nogogini	4000	CPO	Arrived
	Chemstar Princess	5300	SBO	Arrived
Mundra Port	Rising One	3000	SBO	Expected
	Champion Vincita	26000	SBO	Expected
Chennai	MMM Houston	3005	Palm Oil	Arrived
	MMM Jackson	4000	Palm Oil	Arrived
	Global Triton	4000	Palm Oil	Expected
Kolkata	Merkur	13000	SBO	Expected
	Global Pallas	5800	CPO	Arrived
	Feng Sheng U	5000	CPO	Arrived
Kakkinada	Ace I	3000	CPO	Arrived
	Filma Satu	6000	CPO	Expected
Cochin	Rising One	3000	SBO	Expected

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