

VEGOIL

March 1, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Oil Futures Settled Up
- BMD CPO Futures Settle Down with Choppy Trading Day
- NCDEX March Contract Soy Oil Prices Settle Higher

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD continue to move downwards after crossing its signal line, which indicates medium term bearish market sentiments.
2. %K line has just turned upwards and crossed % D line from below in neutral zone, which indicates bullish market sentiments.
3. Prices closed above 9 and 18 days EMA (372.29) and (369.71), which indicates bullish trend.

4. Candlestick with long lower and long upper shadow shows that the Bulls and Bears both were active during the session, it indicates indecisive markets.

Market Advice: Go short with cautions. Sell near 373.20, target near 370.00 and put stop loss at 374.75.

Resistance & Support Levels (Most Active Contract)

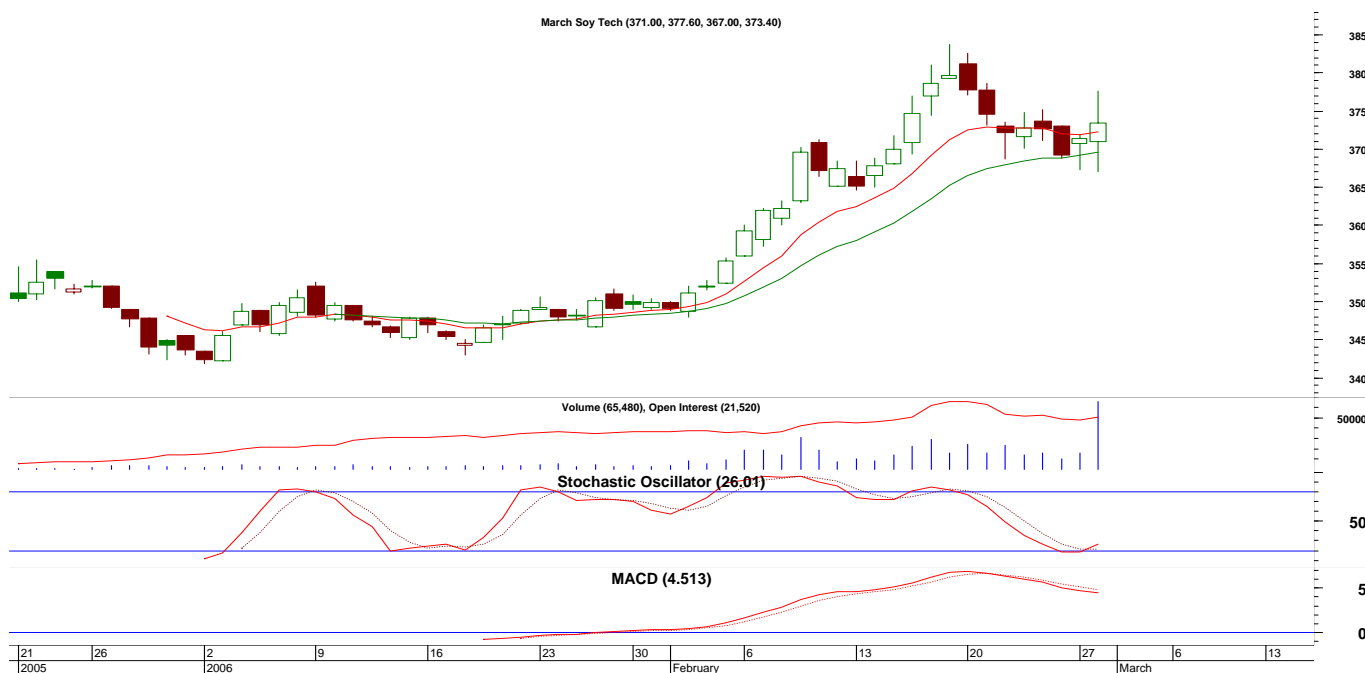
Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	367.70	365.20	377.90	381.10

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 Up

March Soybeans settled up 2.25 cents at \$5.795/bushel, 0.50 cents off the high and 11.50 cents up from the low. May Soybeans settled up 2.75 cents at \$5.93/bushel, which was 12 cents up from the low and 1 cent off the high. March Soybean meal settled up \$1.0 at \$176.5/ton that was \$3.3 up from the low and \$0.2 off the high. March Soybean Oil settled up 0.03 cents at 22.99 cents/pound, 0.01 cents off the high and 0.44 cents up from the low. Initially the market went down due to bird flu concerns but later on the market got strength owing to strength in other grains. Weekly export inspections by USDA came in at 20.02 million bushels, which remain well within the range as compared with trade expectations at 22-30 million bushels. Cumulative shipments have reached 65.4% of the USDA forecast as compared to 71.8%.

CBOT Soy oil futures as 27.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar 06	22.96	22.80	23.00	22.55	22.99	+0.03
May'06	23.37	23.24	23.40	22.96	23.37	0.00
Jul '06	23.74	23.62	23.77	23.33	23.77	+0.03
Aug'06	23.88	23.75	23.88	23.52	23.88	0.00
Sep'06	24.02	23.95	24.05	23.68	24.05	+0.03
Oct '06	24.18	23.95	24.20	23.85	24.20	+0.02
Dec'06	24.47	24.45	24.50	24.10	24.50	+0.03

CBOT remains closed on Saturday and Sunday.

South America Soybean Futures Settle Down

South American soybean futures settled low on Monday. May South American soybeans settle 5 cents higher to \$6.145/bushel. With active harvesting progress coupled with concerns on the international market that bird flu factor could reduce short-term demand for meal results into decline of prices into the market. The weather looks very favourable for the crop in Argentina and Brazil due to recent rains, which stabilize any production loss. After rapid spread of bird flu in 15 countries there is sharp decline of international soybean demand from feed industry. Talk of banning poultry import by Japan from France had bearish impact on the market. China imported 8.8% less of soybeans this January at 1.69 million tonnes as compared to last year.

BMD CPO Future Settle Down after Choppy Trading

Crude palm oil futures at Bursa Malaysia Derivatives settled down on Tuesday after a choppy trading day, with slightly disappointing export figures. The benchmark May CPO contract settled at MYR1507/metric ton, down MYR3 from previous trading day after moving between MYR1503 and MYR1518. Cargo surveyor Intertek Agri Services issued on early Tuesday the February export estimates at 959,547 tons, up 6.3% on month as against January 2006. As the figures were within expectations, palm oil prices were mostly steady throughout the morning session. However, at midday, another surveyor, SGS (Malaysia)

Bhd., released lower February export figures as compared to Intertek Agri Services. SGS, which is more influential, estimated February exports at 920,806 tons, up a mere 1.3% on month. Official February supply and demand data are due to be issued by the Malaysian Palm Oil Board March 10. At end of January, Malaysia's stocks stood at 1.54 million tons, down from end-December's record 1.6 million, but still above the key psychological level of 1.50 million. The absence of any revision in India's import duties on edible oils was also a slight disappointment to the palm oil market. In recent days, there had been speculation that the government might cut import duties on palm oil. There was no fundamental news to boost up its prices.

BMD: CPO Futures (28.02.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar 06	1478	1476	1482	1468	1470	-8	687
Apr 06	1498	1495	1505	1490	1494	-4	1531
May 06	1510	1506	1518	1503	1507	-3	7445
Jun 06	1515	1516	1522	1508	1512	-3	1905
Jul 06	1500	1523	1523	1514	1516	+16	47

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets range bound with positive sentiments. Trading activity was slow due to budget. People were waiting news from budget for the clear-cut direction of the market. There was no bullish news in this budget. GOI did not hike tariff rate on palm oil. Palm oil prices are expected to move range bound in near term.

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

Centres	28.02.06	27.02.06	Change
Kandla CPO (5 % FFA)	-	350	-
Kandla RBD Palmolein	-	365	-
Mumbai RBD Palmolein	365	365	0
Chennai RBD Palmolein	380	377	+3
Kakinada RBD Palmolein	365	Closed	-
Hyderabad RBD Palmolein	380	Closed	-

Soy oil

Today soybean oil prices on domestic spot markets range bound with positive sentiments in most of markets. NCDEX and NBOT March contract soy oil prices settled up as compared to previous closing prices. NCDEX March soy oil contract surged higher in midday only with this news that custom duty is increased in current budget to 80% from 30%. Prices are declined slightly after confirmation that this custom duty is not for Nepal and Sri Lanka etc. India is importing Vanaspati mainly from Nepal and Sri Lanka. Arrivals of Soybean were 35000-40000, 15000-2000, 10,000 bags in Madhya Pradesh, Maharashtra and Rajasthan respectively. Arrivals of soybean in Kota mandi are about 2500 bags only. Soy oil prices are expected to range bound in near term because hike in Custom duty will not bring any drastic impact on its prices.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 341 per 10 kg.

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

Centres	28.02.06	27.02.06	Change
Mumbai (Soy Ref oil)+VAT	352	351	+1
Indore (Soy Ref oil)	-	356	-
Indore (Solvent Ex. Oil)+VAT	-	334	-
Kota (Soy Ref. Oil)	370	Closed	-
Jaipur (Soy Ref. Oil)	375	Closed	-
Chennai (Soy Ref Oil)	372	372	0
Hyderabad (Soy Ref)	372	Closed	-
Rajkot (Soy Ref)+Tax	352	350	+2

Rape/Mustard oil

Today mustard oil prices on spot markets showed mixed trend in markets due to improvement in Vayda Bazaar. Arrival of mustard seeds were 20000-22000 bags in Kota and 8000-10000 bags in Japur mandi. Total arrivals of mustard seeds were about 1,25,000-1,50,000 bags in Rajasthan. Total arrivals in Madhya Pradesh were about 25000 bags. Mustard oil prices are expected to move range bound with weak sentiments in near term.

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

Centres	28.02.06	27.02.06	Change
Mumbai (Rape Expeller Oil)	358	360	-2
Kota (Rape Expeller Oil)	365	Closed	-
Jaipur (Rape Expeller Oil)	368	Closed	-
Delhi (Rape Expeller Oil)	377	375	+2
Neewai (Kachchi Ghani Rape Oil)	366	365	+1

Groundnut Refine Oil

Today groundnut oil prices on spot market went up slightly in most markets due to improvement in soy oil prices at spot market as well as future market. GN oil prices climbed with soy oil prices in most of markets. Groundnut seeds were quoted Rs332/20 kg in Rajkot Mandi; it is slightly up as compared to previous trading day. Arrivals of groundnut seeds in Gujarat are about 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	28.02.06	27.02.06	Change
Mumbai	433	431	+2
Rajkot	435	432	+3
Andhra Region	445	Closed	-
Chennai	440	435	+5

Sunflower Refine Oil

Sunflower oil prices on physical markets range bound with positive sentiments in most markets. Improvement in soy oil prices brought positive impact on its prices. Harvesting of sunflower is late in Chennai. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	28.02.06	27.02.06	Change
Mumbai +Vat	406	406	0
Chennai	432	430	+2
Hyderabad	425	Closed	-

Cotton Refine Oil

Today cotton oil prices on domestic spot market range bound with positive sentiments in most markets. Cotton oil prices followed soy oil prices. Supply of cottonseed is declined slightly in Madhya Pradesh. Cotton oil prices are expected to move range bound in near term.

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

Markets	28.02.06	27.02.06	Change
Mumbai	360	358	+2
Hyderabad	365	Closed	-
Rajkot	352	350	+2

NBOT Soy oil futures as on 28.02.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	371.00	371.10	377.40	367.90	374.40	+3.40	72190
Apr '06	375.80	375.30	381.00	373.60	379.10	+3.30	0

NCDEX Soy Oil Futures Settle Up

Soy oil futures prices settled up at NCDEX on Tuesday. NCDEX March soy oil contract prices settled up Rs 2.00 at Rs 373.40/10 Kg, it was Rs 4.20 off the high and Rs 6.40 up from the low after moving in between of Rs 367.00 to Rs 377.60. NCDEX March soy oil contract surged higher in midday only with this news that custom duty is increased on Vanaspati oil in current budget at 80% from 30%. Prices are declined slightly after confirmation that this custom duty is not for Nepal and Sri Lanka etc. India is importing Vanaspati mainly from Nepal and Sri Lanka. Soy oil prices are expected to move range bound in near term.

NCDEX Soy oil futures as on 28.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Mar'06	371.40	371.00	377.60	367.00	373.40	65480	21520
Apr'06	376.15	375.00	382.00	372.10	377.70	38300	27620

Forex Rates**(As on 28.02.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.44
European Union	Euro	52.70
Japan	100 Yen	38.24
United Kingdom	Pound Sterling	77.30
Malaysia	Ringgit	11.94
China	CNY	5.52
Argentina	ARS	14.43
Brazil	BRL	20.77
Indonesia	1000 IDR	4.78

LATEST WEATHER WATCH (28.02.2006)

Forecast valid for next 72 hours

NORTH WEST INDIA: Mainly Dry weather is likely over the region. Night temperatures over the regions are likely to fall further by 2-3° C.

EAST INDIA: Weather will be mainly dry over the region. Day & night temperatures are likely to fall by 2-3° C.

NORTHEAST INDIA: Rain/thundershowers are likely at a few places over Assam and Arunachal Pradesh. Mainly dry weather over the rest region. Slight fall in night temperatures is expected in this region also.

SOUTH INDIA: Isolated rain/thunder showers likely over Nicobar Islands, Kerala, Telangana & Interior Karnataka. Weather will be mainly dry over the rest region. However, isolated rain/thundershowers are also likely over Tamil Nadu and Coastal Andhra Pradesh from 1st to 3rd March.

WEST INDIA: Isolated rain/thundershowers likely over Marathwada and south Madhya Maharashtra. Weather will be mainly dry over the region. Day & night temperatures over Gujarat and Maharashtra are likely to fall by 2-3° C.

CENTRAL INDIA: Weather will be mainly dry over the region. However, isolated rain/thundershowers likely over Vidarbha and south Chhattisgarh between 1st & 3rd March leading to a fall of 2-3° C in temperatures over the region.

Source: IMD, GOI

PORT-WATCH (Latest):

Edible Oil

Delivery of 12,250 MT of CPO is continuing at Kandla Port from the vessel 'Global Triton'. The cargo was loaded from Padang. Forbes Gokak agents is handling the vessel.

JN Port is receiving 16,000 MT of sun flower oil from the vessel 'Palauque'. The cargo was loaded from Argentina. Interocean agents is handling the vessel.

'Isokaze' has berthed at Kolkata Port and continues to deliver 7,000 MT of CPO. Seaport agents is handling the vessel. Delivery of 4,586 MT of CPO is continuing at Kolkata Port from the vessel 'Feng Sheng You 2'.

'Tirta Niaga' has berthed at Mumbai Port and is continuing to discharge 5,000 MT of palm oil. The vessel is being handled by Interocean agents.

Delivery of 6,000 MT of palm oil is expected at Tuticorin Port from the vessel 'MMM Houston'. Seaport agents will be handling the vessel.

'Global Venus' is expected at New Mangalore Port to discharge 8,500 MT of CPO. Patvolk agents will be handling the vessel. The port is expecting 'Vernal Grace' to deliver 6,000 MT of CPO.

Chennai Port is expecting 'Yue You 801' and 'Monolisa' to deliver 6,800 MT of palm oil and 2,000 MT of CPO respectively. Seaport agents will be handling these vessels.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Feng Sheng You 2	4586	CPO	Arrived
	Isokaze	7000	CPO	Arrived
Tuticorin	MMM Houston	6000	Palm Oil	Expected
Kandla	Global triton	12250	CPO	Arrived
Mumbai	Tirta Niaga	5000	Palm Oil	Arrived
JN Port	Palauque	16000	SFO	Arrived
New Manglore	Global Venus	8500	CPO	Expected
	Vernal Grace	6000	CPO	Expected
Chennai	Yue You 801	6800	Palm Oil	Expected
	Monolisa	2000	CPO	Expected

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