

VEGOIL

February 21, 2006

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Down
- NCDEX March Contract Soy Oil Prices Settle Down

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD is moving upwards continuously in positive zone, which indicates bullish market sentiments.
2. %K line has just turned downwards from overbought zone and reached in neutral zone after crossing % D line, which indicates bearish market sentiments.
3. Prices closed far above 9 days (373.07) and 18 days (366.83) EMA, which indicates bullish market sentiments.

4. Candlestick formed engulfing bearish pattern which indicates bearish market sentiments.

Market Advice: Go short with cautions. Sell near 378.75, target near 377.00, put stop loss at 379.50.

Resistance & Support Levels (Most Active Contract)

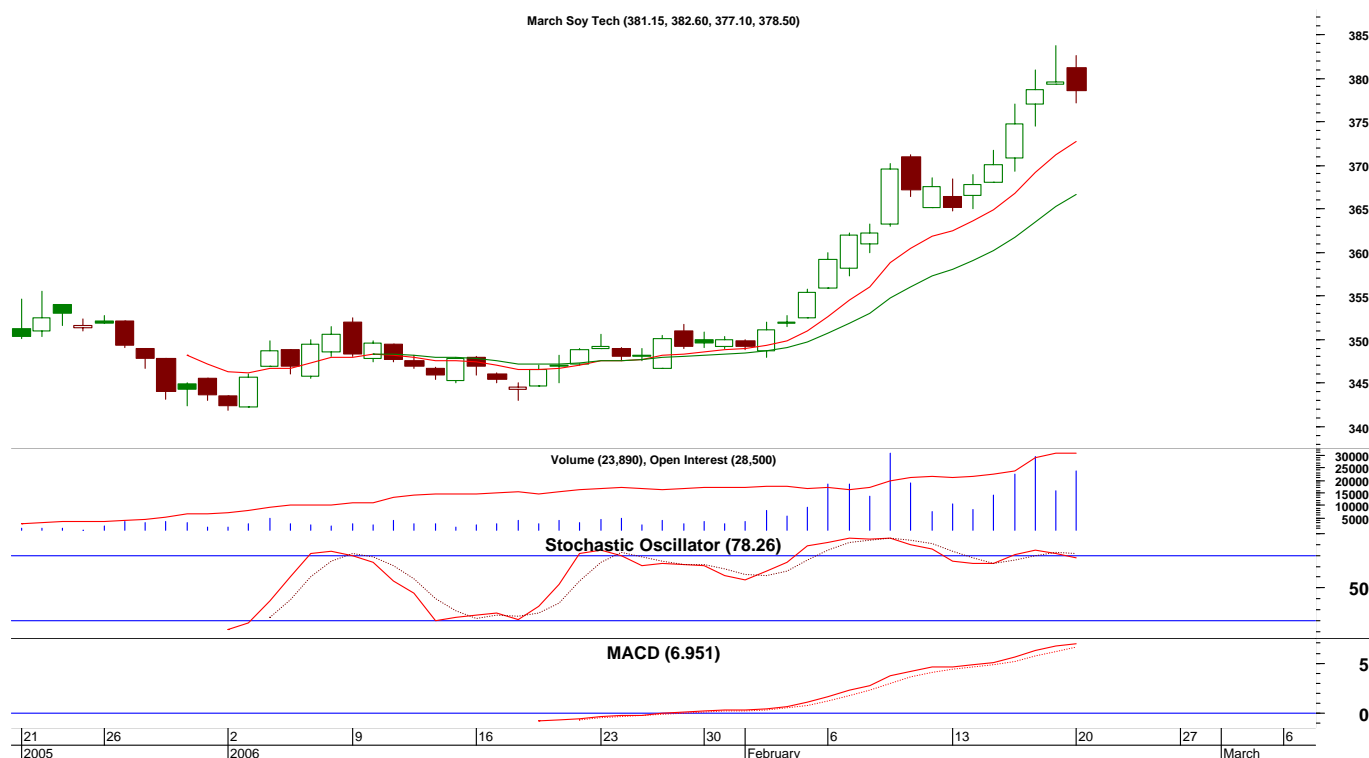
Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	376.20	373.90	381.70	384.90

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 remains closed Saturday and Sunday.

CBOT Soy oil futures as 17.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	22.57	22.75	23.39	22.75	23.33	+0.76
May'06	22.98	23.22	23.80	23.22	23.71	+0.73
Jul '06	23.35	23.70	24.15	23.65	24.07	+0.72
Aug'06	23.50	23.85	24.19	23.80	24.19	+0.69
Sep'06	23.64	24.10	24.32	23.95	24.32	+0.68
Oct '06	23.80	24.25	24.48	24.08	24.48	+0.68
Dec'06	24.11	24.40	24.90	24.33	24.69	+0.58

CBOT remains closed on Saturday and Sunday.

BMD CPO Futures Settled Marginally Down

Crude palm oil futures on the Bursa Malaysia Derivatives settled marginally down on Monday. The benchmark May CPO contract settled at MYR1486 per metric ton, down MYR2 from previous trading day, after moving in between MYR1482 -1496 / ton. Traders are waiting fresh news from annual prices outlook conference of 22-24 Feb. Traders are in hope that prices may go up to MYR 1500/ton, but it is depend on the positive direction and bullish news from above mentioned conferences. Traders' expectations are friendly price projections from speaker of conference due to higher demands of bio diesel. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. issued estimates showing higher Malaysian palm oil exports in Feb. 1-20. Intertek estimated Feb. 1-20 exports at 762,808 tons, up 13.79% on month, while; SGS pegged exports at 744,152 tons, up 13.3% on month.

BMD: CPO Futures (20.02.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar 06	1470	1475	1476	1464	1466	-4	477
Apr 06	1482	1487	1487	1475	1479	-3	463
May 06	1488	1495	1496	1482	1486	-2	1743
Jun 06	1491	1497	1497	1486	1489	-2	673
Jul 06	1492	0	1492	0	1492	0	0

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets were range bound with weak sentiments. BMD CPO futures settled lower on Monday. Palm oil prices dampen with soy oil prices on domestic spot markets today. Palm oil and soy oil both are traditional rivals of each other's. Palm oil prices are expected to move range bound in coming days.

FOB prices of CPO (February) were quoted at \$ 397.50 per tonnes and February RBD Palmolein at \$ 415.00 per tonnes.

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

Centres	20.02.06	18.02.06	Change
Kandla CPO (5 % FFA)	350	352	-2
Kandla RBD Palmolein	364	364	0
Mumbai RBD Palmolein	370	371	-1
Chennai RBD Palmolein	378	379	-1
Kakinada RBD Palmolein	365	365	0
Hyderabad RBD Palmolein	378	378	0

Soy oil

Today soybean oil prices on domestic spot markets went down slightly in most markets due to widely spread news of bird flu in India and harvesting pressure of mustard seeds in Rajasthan. NCDEX and NBOT March contract soy oil prices are settled down sharply as compared to previous closing prices. Today's arrivals of soybean were 35000-40000, 14000-16000 and 10000-12000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. Arrivals in Kota Mandi were 7000 bags only. Today soybeans prices on spot market were quoted in range of Rs 1120-50/qtl in Kota mandi, it is lower as compared to previous trading day. The above-mentioned factors brought negative impact on its prices. Soy oil prices are expected to decline slightly in near term.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 348 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 531 per tonne.

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

Centres	20.02.06	18.02.06	Change
Mumbai (Soy Ref oil)+VAT	360	361	-1
Indore (Soy Ref oil)	368	368	0
Indore (Solvent Ex. Oil)+VAT	344	340	+4
Kota (Soy Ref. Oil)	372	375	-3
Jaipur (Soy Ref. Oil)	375	378	-3
Chennai (Soy Ref Oil)	374	372	-2
Hyderabad (Soy Ref)	372	376	-4
Rajkot (Soy Ref)+Tax	355	360	-5

Rape/Mustard oil

Today mustard oil prices on spot markets moved down slightly in most markets due to more supply of new mustard seeds. Today mustard seeds prices on spot markets were quoted in range of Rs 1440-1470 and Rs 1720 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 8000-9000 bags and 4,000 bags in Kota and Jaipur mandi respectively. Total arrivals of mustard seeds were about 1,00,000 bags in Rajasthan today. The above-mentioned factors brought negative impact on its prices on spot markets. Mustard oil prices are expected to move range bound in near term.

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

Centres	20.02.06	18.02.06	Change
Mumbai (Rape Expeller Oil)	373	373	0
Kota (Rape Expeller Oil)	365	367	-2
Jaipur (Rape Expeller Oil)	368	370	-2
Delhi (Rape Expeller Oil)	385	389	-4
Neewai (Kachchi Ghani Rape Oil)	380	377	+3

Groundnut Refine Oil

Today groundnut oil prices on spot market showed lacklustre in most markets amidst low demands at retail ends. Groundnut oil prices dampened with soy oil prices. Lower soy oil prices on Vayda Bazaar as well as spot markets brought negative impact on GN oil prices. Groundnut prices were quoted at Rs335/20 kg in Rajkot mandi today; it is down slightly as compared to previous trading day. 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	20.02.06	18.02.06	Change
Mumbai	437	438	-1
Rajkot	438	440	-2
Andhra Region	445	445	0
Chennai	440	440	0

Sunflower Refine Oil

Sunflower oil prices on physical markets showed mixed sentiments amidst low demands at retail ends. Import of sunflower oil is expected to 22248 metric ton at Kandla port. CIF prices for sunflowers (March Shipment) at Kandla port were quoted at \$ 574 per tonnes. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	20.02.06	18.02.06	Change
Mumbai +Vat	409	409	0
Chennai	437	435	+2
Hyderabad	430	435	-5

Cotton Refine Oil

Today cotton oil prices on domestic spot market showed dull trends in most markets. Cotton oil prices followed the soy oil prices. Lower soy oil prices on spot market prices brought negative impact on cotton oil prices. Prices are expected to move range bound in near term.

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

Markets	20.02.06	18.02.06	Change
Mumbai	370	370	0
Hyderabad	370	374	-4
Rajkot	355	358	-3

NBOT Soy oil futures as on 20.02.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	382.20	382.30	382.30	377.00	377.60	-4.60	60090
Apr '06	384.90	383.00	383.40	380.60	381.00	-3.90	950

NCDEX Soy Oil Futures Settle Down

Soy oil futures prices settled down sharply at NCDEX on Monday due to more supply of mustard seeds and widely spread of bird flu. NCDEX March soy oil contract prices settled down Rs 3.75 at Rs 378.50/10 Kg, it was Rs 4.10 off the high and Rs 1.40 up from the low after moving in between of Rs 377.10 to Rs 382.60. Soy oil prices are expected to move range bound with weak sentiments in near term.

NCDEX Soy oil futures as on 20.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	369.90	368.25	368.25	366.05	366.05	1370	1850
Mar'06	382.25	381.15	382.60	377.10	378.50	23890	28500

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

Chennai Port is receiving 6,000 MT of palm oil from the vessel 'MMM Houston'. 'Ace I' is expected at Chennai Port to discharge 6,000 MT of CPO. Interocean agents will be handling the vessel.

Kandla Port is receiving 6,000 MT of CPO from the vessel 'Broving Bay'. The cargo was loaded from Dumai. Interocean agents is handling the vessel. 'Palaque' from Argentina is expected at the port to deliver 22,248 MT of sun flower oil. The vessel will be handled by Interocean agents.

Delivery of 7,294 MT of CPO is continuing at Kolkata Port from the vessel 'Spring Wind'. Seaworld agents is handling the vessel. 'Bunga Melati Dua' has berthed at Kolkata Port and is continuing to discharge 20,942 MT of SBO. Delivery of 15,500 MT of SBO is continuing at the port from the vessel 'Mountain Blossom'. Kolkata Port is receiving 5,500 MT of SBO from the vessel 'Rising One'. Atlantic agents is handling the vessel.

'Champion Vincita' is expected at New Mangalore Port to deliver 5,000 MT of SBO. Interocean agents will be handling the vessel.

Kakkinada Port is expecting 'Isokaze' to discharge 7,000 MT of SBO.

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.

JN Port is expecting 'Broving Bay' to discharge 6,000 MT of CPO. The cargo was loaded from Dumai. Interocean agents is handling the vessel.

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

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.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Cochin	Rising One	3000	SBO	Expected
Mormugao	Global Eos	3500	CPO	Expected
Chennai	MMM Houston	6000	Palm Oil	Arrived
	Ace-1	6000	CPO	Expected
Kolkata	Rising One	5500	SBO	Arrived
	Bunga Melati Dua	20942	SBO	Arrived
	Mountain Blossom	15500	SBO	Arrived
	Spring Wind	7294	CPO	Arrived
Tuticorin	MMM Houston	6000	Palm Oil	Expected
Kandla	Broving Bay	6000	CPO	Arrived
	Palaque	22248	SFO	Expected
Kakinada	Isokaze	7000	SBO	Arrived
Mumbai	Nolowati	11000	CPO	Expected
New Manglore	Champion Vincita	5000	SBO	Expected
JN Port	Broving Bay	6000	CPO	Expected

LATEST WEATHER WATCH (20.02.2006)

Forecast valid for next 72 hours

NORTH WEST INDIA: Isolated rain/snow likely over higher reaches of Jammu & Kashmir. Mainly Dry weather over the rest region. Day temperatures are likely to remain 5-7°C above normal over the region.

EAST INDIA: Rain/thundershowers likely at a few places over Sub- Himalayan West Bengal & Sikkim and isolated over Gangetic West Bengal. Weather will be mainly dry over the rest region. Night temperatures over the region are likely to remain 4-6°C above normal.

NORTHEAST INDIA:

Rain/thundershowers are likely at a few places over Assam & Meghalaya and isolated over the rest region.

SOUTH INDIA: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region. Night temperatures over the Peninsula are likely to remain near normal, though the day temperatures could remain 2-3°C above normal.

WEST INDIA: Weather will be mainly dry over the region. Day and Night temperatures over Rajasthan and Gujarat are likely to remain above normal by 4-7°C above normal.

CENTRAL INDIA: Weather will be mainly dry over the region. Day and night temperatures over Madhya Pradesh and Chhattisgarh are likely to remain significantly above normal.

Source: IMD, GOI

Forex Rates (As on 20.02.2006)		
Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.43
European Union	Euro	53.17
Japan	100 Yen	37.58
United Kingdom	Pound Sterling	77.49
Malaysia	Ringgit	11.94
China	CNY	5.52
Argentina	ARS	14.48
Brazil	BRL	20.89
Indonesia	1000 IDR	4.82

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