

VEGOIL

February 10, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Mixed
- BMD CPO Futures Settle Sharply Up
- NCDEX February Soy Oil Future Prices Settle Sharply Higher

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD is moving upwards in positive zone, which indicates bullish market sentiments.
2. %K line has turned slightly downwards in overbought zone and touched to % D line, which is hinting trend reversal, but confirmation is required.
3. Prices closed far above 9 days (358.72) and 18 days (354.72) EMA, which indicates bullish market sentiments.

4. Candlestick pattern shows the bullish market sentiments.

Market Advice: Buy near 369.00, target near 370.50, put stop loss at 368.40.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	364.60	360.00	371.90	374.50

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 Mixed

March Soybeans settled up 4 cents at \$5.78/bushel, 4.50 cents off the high and 7 cents up from the low. May Soybeans settled up 3.25 cents at \$5.9125/bushel which was 7.25 cents up from the low and 4.25 cents off the high. March Soybean meal settled up \$3.5 at \$180.2/tonnes that was \$4.4 up from the low and \$0.3 off the high. March Soybean Oil finished down 0.13 cents at 22.15 cents/pound, 0.13 cents off the high and 0.08 cents up from the low. Early downfall pressurised the market initially but later half observed a solid gain for the reason of possibility of index fund buyers being active that time. Traders are waiting for supply/demand report with hope for a jump of 29 million bushels in ending stocks to 534 million bushels. Weekly export sales report revealed soybean sales near 250,000-400,000 tonnes as compared with 446,600 tonnes last week. Soybean meal sales are expected near 50,000-125,000 tonnes and oil sales near 0-10,000 tonnes. Speculation of lower production from Brazil and Argentina could also be the possible reason for gaining support. South Korea is planning to buy 165,000 tonnes of optional origin meal.

CBOT Soy oil futures as 09.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	22.28	22.24	22.28	22.07	22.15	-0.13
May '06	22.73	22.66	22.66	22.47	22.58	-0.15
Jul '06	23.17	23.05	23.05	22.85	22.95	-0.22
Aug '06	23.30	23.72	23.72	23.00	23.09	-0.21
Sep '06	23.44	23.30	23.30	23.15	23.23	-0.21
Oct '06	23.58	-	-	-	23.38	-0.20
Dec '06	23.82	23.78	23.78	23.60	23.68	-0.14

CBOT remains closed on Saturday and Sunday.

South American Soybeans Futures Settle Lower

South American soybeans future settled low on Wednesday. March South American soybeans closed 13 cents lower on Wednesday to \$5.95/bushel at the lowest value since November 29th. Brazil 2005/2006 export reached 24.4 million tonnes, 10% high than previous year. Weather looks favourable for Southern Brazil and Argentina and expected to remain hot and humid for the next week free from scorching heat that is injurious to crop. Crops are expected to improve in some areas due to recent rains. If dryness will persist then it will be major concern for the crop otherwise looks favourable. USDA forecast for world ending stock remained at 53.15 million tonnes as compared to 44.9 million tonnes last year. Sellers dominated in the market with selling of 4,000 contracts up to the previous close that pulled the market down. Meal was also showing downtrend and demand for soybeans remain lower at the China exchange. Report of another bird flu outbreak in northern China province and culling of 187,000 chickens would be the driving force for the downfall. Less demand of Chinese chicken from the Gulf region leads to lower demand of soybean and meal from South American continent.

BMD CPO Futures Settle Sharply Up

Crude palm oil future settled sharply up at Bursa Malaysia Derivatives on Thursday. Prices improved on BMD because the traders expectations that supply and demand data would be positive, which is due to release on Friday. The benchmark April CPO contract settled at MYR1464 /metric ton, it was up by MYR20 from previous closing, prices moved in range of MYR1444 and MYR1464. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. are scheduled to release Friday estimates for Malaysian palm oil exports in the first 10 days of February. In the Jan. 1-10 period, exports were estimated at around 280,000 tons - 300,000 tons. Malaysian Palm Oil Board is also due to issue Friday official January supply and demand data. Market expectations are for the MPOB to report a decline in January production of around 10%-12% on month..

BMD: CPO Futures (09.02.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1432	1435	1473	1433	1450	+18	551
Mar 06	1438	1437	1455	1437	1455	+17	1476
Apr 06	1444	1445	1464	1444	1464	+20	3710
May 06	1450	1450	1466	1450	1465	+15	1392
Jun 06	1455	1455	1467	1455	1467	+12	79

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets moved up slightly in most of the markets. There is news that Malaysian palm oil producer is going to build two biofuel plants, keeping in mind that the strong demand for biodiesel from Europe and other countries. BMD CPO settled sharply higher today. 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 \$ 382.50 per tonnes and February RBD Palmolein at \$ 402.50 per tonnes.

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

Centres	09.02.06	08.02.06	Change
Kandla CPO (5 % FFA)	3340	338	+2
Kandla RBD Palmolein	359	356	+3
Mumbai RBD Palmolein	367	366	+1
Chennai RBD Palmolein	375	375	0
Kakinada RBD Palmolein	356	353	+3
Hyderabad RBD Palmolein	370	370	0

Soy oil

Today soybean oil prices on physical markets went up sharply in most of the markets due to surge on Vayda Bazaar. NCDEX and NBOT March soy oil future prices surged sharply today as compared to previous closing prices. There is talk in the market that government can increase the excise duty on soy oil import in budget of Feb 28. There is news that Malaysian palm oil producer is going to build two biofuel plants, keeping in mind that the Strong demand for biodiesel from Europe. Today's arrivals of soybean were 45000-50000, 20000-22000, 12000-15000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra,

Rajasthan mandi respectively. Arrivals in Kota Mandi were 2500-3000 bags only. Today soybeans prices on spot market were quoted in range of Rs 1140-60/qtl in Kota mandi, it is higher as compared to previous trading day. Soy oil prices are expected to move range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 328 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 498 per tonne.

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

Centres	09.02.06	08.02.06	Change
Mumbai (Soy Ref oil)+VAT	351	347	+4
Indore (Soy Ref oil)	355	351	+4
Indore (Solvent Ex. Oil)+VAT	332	328	+4
Kota (Soy Ref. Oil)	365	362	+3
Jaipur (Soy Ref. Oil)	369	366	+3
Chennai (Soy Ref Oil)	365	364	+1
Hyderabad (Soy Ref)	362	360	+2
Rajkot (Soy Ref)+Tax	345	344	+1

Rape/Mustard oil

Today mustard oil prices on spot markets range bound with positive sentiments in most of the markets. Today mustard seeds prices were quoted in range of Rs 1460-1530 and Rs 1730-1750 in Kota and Jaipur mandi respectively. NCDEX future market opened firm at 341.00 then previous closing price and remained steady for some time, started to fall thereafter up to 11.30 am. It then gain momentum and rise steeply, reached to its highest value at 337.55 near closing time. Improved arrival was noticed in kota Mandi. Arrivals of new mustard seed started to flush in Rajasthan market. Mustard oil prices are expected to move range bound in near terms.

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

Centres	09.02.06	08.02.06	Change
Mumbai (Rape Expeller Oil)	373	373	0
Kota (Rape Expeller Oil)	365	363	+2
Jaipur (Rape Expeller Oil)	368	366	+2
Delhi (Rape Expeller Oil)	393	393	0
Neewai (Kachchi Ghani Rape Oil)	383	383	0

Groundnut Refine Oil

Today groundnut oil prices on spot market range bound with positive sentiments in most of the markets. Improvement in Vayda bazaar brought positive impact on GN oil prices at spot markets. 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	09.02.06	08.02.06	Change
Mumbai	437	435	+2
Rajkot	448	445	+3
Andhra Region	435	435	0
Chennai	435	435	0

Sunflower Refine Oil

Sunflower oil prices on physical markets showed positive sentiments in most of the markets only due to improvement in vayda Bazaar. There was no other fresh fundamental news to push up its prices. CIF prices for sunflowers (February Shipment) at Kandla port were quoted at \$ 549 per tonnes. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	09.02.06	08.02.06	Change
Mumbai +Vat	400	400	0
Chennai	433	432	+1
Hyderabad	420	415	+5

Cotton Refine Oil

Today cotton oil prices on domestic spot market went up slightly in most of the markets due to increase sharply in NCDEX future prices of soy oil. Cotton oil climbed behind the soy oil today. 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	09.02.06	08.02.06	Change
Mumbai	361	356	+5
Hyderabad	355	350	+5
Rajkot	350	348	+2

NBOT Soy oil futures as on 09.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	353.80	355.10	361.10	355.00	361.10	+7.30	16310
Mar '06	362.00	363.50	369.50	363.00	369.50	+7.50	62280

NCDEX Soy Oil Futures Settle Sharply Higher

Soy oil future prices settled sharply higher at NCDEX on Thursday. NCDEX March soy oil prices settled higher Rs 6.95 at Rs 369.10/10 Kg, it was Rs 1.10 off the high and Rs 3.10 up from the low. February soy oil prices moved in range of Rs 363.00 to Rs 370.20. Soy oil prices are expected to move range bound in near term.

NCDEX Soy oil futures as on 09.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	354.00	355.60	362.20	355.20	361.00	7990	10750
Mar'06	362.25	363.25	370.20	363.00	369.10	30630	17720

LATEST WEATHER WATCH (09.02.2006)

Forecast valid for next 72 hours

NORTHWEST: Isolated rain/snow likely over higher reaches of Jammu & Kashmir and Himachal Pradesh. Weather will be mainly dry over the rest region.

EAST: Weather will be mainly dry over the region.

NORTHEAST: Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim and northeastern

States on 10th & 11th. Weather will be mainly dry over the rest region.

SOUTH: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest 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 09.02.2006)
Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.15
European Union	Euro	52.90
Japan	100 Yen	37.28
United Kingdom	Pound Sterling	76.15
Malaysia	Ringgit	11.84
China	CNY	5.48
Argentina	ARS	14.40
Brazil	BRL	20.31
Indonesia	1000 IDR	4.78

PORT-WATCH (Latest):

Edible Oil

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. '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 expected at Mundra Port from the vessel 'Champion Vincita'. Interocean 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.

Kandla Port is expecting 'Global Neptune' from Malaysia to deliver 12,250 MT of CPO. Forbes Gokak agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Cochin	Rising One	3000	SBO	Expected
Mundra Port	Champion Vincita	26000	SBO	Expected
Mormugao	Global Eos	3500	CPO	Expected
Chennai	Bunga Melati Dua	9000	SFO	Expected
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	Expected

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