

VEGOIL

February 28, 2006

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settled Up
- NCDEX March Contract Soy Oil Prices Settle Moderately Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD is moving downwards after crossing its signal line, which indicates bearish market sentiments.
2. %K line continues to move downwards and reached in oversold territory, however % D line is in neutral zone, which is hinting trend reversal but confirmation is required.
3. Prices closed below to 9 days EMA (372.01) and above 18 days (369.28) EMA, which indicates slightly bullish.

4. Long lower shadow and short upper shadow of candle stick indicates that sellers dominated during the session and brought lower prices, however buyers later forced prices go up from their low.

Market Advice: Go long with cautions. Buy near 369.50, Target near 373.00 and put stop loss at 368.00.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	368.00	366.40	373.50	377.20

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 on Saturday and Sunday

CBOT Soy oil futures as 24.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	22.76	22.95	23.12	22.85	22.96	+0.20
May '06	23.14	23.38	23.57	23.25	23.37	+0.23
Jul '06	23.50	23.75	23.9	23.62	23.74	+0.24
Aug '06	23.64	23.95	23.99	23.8	23.88	+0.24
Sep '06	23.79	23.96	24.15	23.96	24.02	+0.23
Oct '06	23.95	NA	NA	NA	24.18	+0.23
Dec '06	24.20	24.68	24.68	24.4	24.47	+0.27

CBOT remains closed on Saturday and Sunday.

Crude Palm Oil Futures Settle Up on BMD

Crude palm oil futures at the Bursa Malaysia Derivatives settled up higher on Monday. The benchmark May contract settled at MYR1510 a metric ton, up MYR18 from previous trading day. It has been noticed that first time palm oil futures prices crossed MYR1500/ton since September 1, 2004. Prominent market analysts such as Dorab E. Mistry, Thomas Mielke and James Fry all forecast higher CPO prices for the year in annual price outlook conferences, citing the positive impact of growing global bio-diesel demand. Price projections were mostly for CPO to reach MYR1600 or more in the coming months. Cargo surveyor SGS (Malaysia) Bhd. estimated Feb. 1-25 exports at 843,660 tons, up 8.5% on month. Another surveyor Intertek Agri Services pegged Feb. 1-25 exports at a slightly higher 868,825 tons. The surveyors are due to issue Tuesday export estimates for all of February. Market expectations are for exports of around 950,000 tons, up just slightly from about 900,000-910,000 tons in January. Traders said that if the market successfully holds above MYR1500 in the next few days, further gains toward MYR1550 might be likely.

BMD: CPO Futures (27.02.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar '06	1466	1463	1479	1459	1478	+12	942
Apr '06	1485	1482	1501	1477	1498	+13	2027
May '06	1492	1492	1512	1483	1510	+18	7071
Jun '06	1496	1494	1516	1487	1515	+19	1779
Jul '06	1495	1500	1500	1500	1500	+5	2

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets showed lacklustre in most markets. Palm oil prices were stable only because people are waiting of budget, after that they will get clear-cut direction of the market. It is expected that GOI would not make any major change in tariff duty on imported oil. Palm oil prices are expected to move range bound in near term.

FOB prices of CPO (February) were quoted at \$ 397.50 per tonnes and February RBD Palmolein at \$ 417.50 per tonnes.

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

Centres	27.02.06	25.02.06	Change
Kandla CPO (5 % FFA)	350	350	0
Kandla RBD Palmolein	365	364	+1
Mumbai RBD Palmolein	365	365	0
Chennai RBD Palmolein	377	378	-1
Kakinada RBD Palmolein	Closed	361	-
Hyderabad RBD Palmolein	Closed	378	-

Soy oil

Today soybean oil prices on domestic spot markets range bound in most of markets. NCDEX and NBOT March contract soy oil prices settled up as compared to previous closing prices. Poor trading activity witnessed on spot market in Rajasthan markets due to Shivratri. Everybody is eyeing on forthcoming budget and expecting slightly bullish views on edible oil from this budget. Trading activity is slow only due to lack of clear-cut direction of the markets. Soy oil prices are expected to improve slightly in near term.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 343 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 520 per tonne.

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

Centres	27.02.06	25.02.06	Change
Mumbai (Soy Ref oil)+VAT	351	356	-5
Indore (Soy Ref oil)	356	357	-1
Indore (Solvent Ex. Oil)+VAT	334	334	0
Kota (Soy Ref. Oil)	Closed	368	-
Jaipur (Soy Ref. Oil)	Closed	371	-
Chennai (Soy Ref Oil)	372	372	0
Hyderabad (Soy Ref)	Closed	372	-
Rajkot (Soy Ref)+Tax	350	350	0

Rape/Mustard oil

Today mustard oil prices on spot markets showed dull trend in most markets due to more supply of new mustard seeds. Total arrivals of mustard seeds were about 1,00,000-1,25,000 bags in Rajasthan. Trading activity was slow due to Shivratri festival. Harvesting pressure brought negative impact on its prices in most markets. 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	27.02.06	25.02.06	Change
Mumbai (Rape Expeller Oil)	360	360	0
Kota (Rape Expeller Oil)	Closed	348	-
Jaipur (Rape Expeller Oil)	353	353	0
Delhi (Rape Expeller Oil)	375	377	-2
Neewai (Kachchi Ghani Rape Oil)	365	367	-2

Groundnut Refine Oil

Today groundnut oil prices on spot market range bound with weak sentiments in most markets. GN oil prices dampen with soy oil prices in most of markets except Chennai market. Harvesting is delayed in Chennai markets due to rain in last month. Groundnut seeds were quoted remains Rs330/20 kg in Rajkot Mandi. 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	27.02.06	25.02.06	Change
Mumbai	431	432	-1
Rajkot	432	435	-3
Andhra Region	Closed	442	-
Chennai	435	435	0

Sunflower Refine Oil

Sunflower oil prices on physical markets showed monotonous in most of the markets. Harvesting of sunflower crop is going on in Karnataka and Andhra region. Sunflower oil is imported about 16000 metric ton at JN Port. CIF prices for sunflowers (March Shipment) at Kandla port were quoted remains at \$ 564 per tonnes. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	27.02.06	25.02.06	Change
Mumbai +Vat	406	406	0
Chennai	430	430	0
Hyderabad	Closed	425	-

Cotton Refine Oil

Today cotton oil prices on domestic spot market range bound with weak sentiments in most markets. Cotton oil prices followed soy oil prices. There was no fresh fundamental news to boost its prices. Cotton oil prices are expected to move range bound in near term.

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

Markets	27.02.06	25.02.06	Change
Mumbai	358	361	-3
Hyderabad	Closed	365	-
Rajkot	350	352	-2

NBDOT Soy oil futures as on 27.02.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	369.20	369.50	371.00	367.30	371.00	+1.80	32220
Apr '06	373.80	373.00	375.80	372.00	375.80	+2.00	680

NCDEX Soy Oil Futures Settle Moderately Up

Soy oil futures prices settled up moderately at NCDEX on Monday. NCDEX March soy oil contract prices settled up slightly Rs 1.80 at Rs 371/10 Kg, it was Rs 0.85 off the high and Rs 2.65 up from the low after moving in between of Rs 367.35 to Rs 371.85. Soy oil prices are expected to improve in near term.

NCDEX Soy oil futures as on 27.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Mar'06	369.20	370.80	371.85	367.35	371.00	15420	20080
Apr'06	373.80	373.85	376.50	372.00	375.60	7170	22030

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.

'Nolowati' discharged 7,000 MT of CPO at Mundra Port. Atlantic agents handled the vessel. The port is expecting 'Tirta Niaga I' to deliver CPO. Interocean agents will be handling the vessel.

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
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
Mundra	Nolowati	7000	CPO	Arrived

LATEST WEATHER WATCH (27.02.2006)

Forecast valid for next 72 hours

NORTH-WEST INDIA: Isolated rain/snow likely over Jammu & Kashmir. Mainly Dry weather over the rest region. Night temperatures over the regions are likely to fall by 2-3° C.

EAST INDIA: Weather will be mainly dry over the region. Day & night temperatures are likely to remain 3-5°C above normal.

NORTHEAST INDIA: Rain/thundershowers are likely at a few places over Assam & Meghalaya and Arunachal Pradesh. Mainly dry weather over the rest region.

SOUTH INDIA: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region, However, isolated rain/thundershowers are likely over Tamil Nadu and Kerala over 1st & 2nd March.

WEST INDIA: Weather will be mainly dry over the region. Night temperatures over Rajasthan are likely to fall by 2-3° C.

CENTRAL INDIA: Weather will be mainly dry over the region. Day temperatures are likely to remain 4-6° C above normal over Madhya Pradesh & Chhattisgarh.

Source: IMD, GOI

Forex Rates		(As on 27.02.2006)
Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.42
European Union	Euro	52.70
Japan	100 Yen	38.24
United Kingdom	Pound Sterling	77.45
Malaysia	Ringgit	11.97
China	CNY	5.53
Argentina	ARS	14.45
Brazil	BRL	20.77
Indonesia	1000 IDR	4.78

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