

VEGOIL

February 27, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Up
- NCDEX March Contract Soy Oil Prices Settle Down Sharply

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 after crossing % D line and reached it in oversold zone, which is hinting trend reversal but confirmation is required.
3. Prices closed below to 9 days EMA (372.26) and just above 18 days (369.08) EMA, which indicates slightly bearish market sentiments.
4. Candlestick pattern shows bearish market sentiments. Market has dominated by sellers.

Market Advice: Market is expected to open weak and might be improve later on. Trend reversal is likely, but confirmation is required. Go long with cautions. Buy near 368.00, Target near 372.00 and put stop loss at 366.00.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	367.70	366.15	374.55	377.00

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

Soy futures at Chicago Board of Trade settled higher on Friday. March Soybeans settled up 5.50 cents at \$5.7725/bushel, 2.50 cents off the high and 5.25 cents up from the low. May Soybeans settled up 5.50 cents at \$5.9025/bushel, which was 5.25 cents up from the low and 2.50 cents off the high. March Soybean Oil finished up 0.2 cents at 22.96 cents/pound, 0.16 cents off the high and 0.11 cents up from the low. Report of an explosion in Saudi Arabia helped to boost the market up for other markets like gold, crude oil and palm oil, which helped to support the soybean market. Weekly US export sales for soybeans remain at 503,600 metric tonnes as compared to trade expectations between 400,000-600,000 well within the range. Cumulative sales for soybean reached just 77.7% of the USDA forecast. Meal sales remain at 77,300 metric tonnes as compared to trade expectations between 75,000-125,000.

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.

South American Soybean Futures Settle Down

March South American soybeans settled 2 cents lower on Friday to \$6.2050/bushel as compared to previous closing at \$6.50 on Friday. Active harvesting started in Brazil and short term demand of soybean in international market being the reason to pull down the South American soybean futures. Argentina rains helped to reduce the stress and more area is expected to receive rain in coming days. Brazil weather is also favourable for the crops and therefore high yield is expected. Harvesting of soybean is going on and completed about 10% of total harvesting. The crop is expected at 56-57 million tonnes from 51.1 million tonnes last year, record high production. Low closing of US soybean also had a bearish impact on South American Soybean futures. Sellers dominated the session with funds were noted sellers of nearly 1,000 soybean contracts and 1,000 meal. Bird flu concerns still persist, but it is expected that flu can be eradicated in Europe, as Vietnam has had no outbreaks of bird flu in poultry or humans since November and Thailand has gone 106 days without any fresh reports.

BMD Remain Closed on Saturday and Sunday

BMD: CPO Futures (24.02.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar '06	1448	1451	1466	1451	1466	+18	237
Apr '06	1463	1469	1485	1467	1485	+22	289
May '06	1467	1474	1492	1472	1492	+25	2180
Jun '06	1472	1477	1496	1477	1496	+24	342
Jul '06	1473	1477	1495	1477	1495	+22	7

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets were ease in most markets. BMD was remains closed on Saturday and Sunday. Ashok lahiri Committee suggested to reduce the palm oil duty for making a uniformity of tariff rate. Lahiri committee recommended tariff rate for RBD palm oil at 72.5% from 90% and 65% on CPO from 80%. The above-mentioned factors brought poor market sentiments on spot markets. Palm oil prices are expected to move range bound in near term.

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

Centres	25.02.06	24.02.06	Change
Kandla CPO (5 % FFA)	350	350	0
Kandla RBD Palmolein	364	365	-1
Mumbai RBD Palmolein	365	365	0
Chennai RBD Palmolein	378	378	0
Kakinada RBD Palmolein	361	361	0
Hyderabad RBD Palmolein	378	378	0

Soy oil

Today soybean oil prices on domestic spot markets range bound with weak sentiments in most markets due to weak Vayda Bazaar. NCDEX and NBOT March contract soy oil prices open firm and declined sharply on as compared to previous closing prices. Today's arrivals of soybean were 45000-50000, 20000-22000 and 8000-10000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. Arrivals in Kota Mandi were 3500 bags only. Today soybeans prices on spot market were quoted in range of Rs 1135-55/qtl in Kota mandi. Today soy oil prices were quoted Rs 368 and Rs 371 per 10 kg in Kota and Jaipur respectively. Soy oil prices are expected to improve on Monday.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 341 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	25.02.06	24.02.06	Change
Mumbai (Soy Ref oil)+VAT	356	356	0
Indore (Soy Ref oil)	357	357	0
Indore (Solvent Ex. Oil)+VAT	334	334	0
Kota (Soy Ref. Oil)	368	368	0
Jaipur (Soy Ref. Oil)	371	372	-1
Chennai (Soy Ref Oil)	372	372	0
Hyderabad (Soy Ref)	372	372	0
Rajkot (Soy Ref)+Tax	350	355	-5

Rape/Mustard oil

Today mustard oil prices on spot markets went 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 1430-1450 and Rs 1645-50 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 15,000 bags and 7,000-7500 bags in Kota and Jaipur mandi respectively. Total arrivals of mustard seeds were about 1,00,000-1,25,000 bags in Rajasthan. 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	25.02.06	24.02.06	Change
Mumbai (Rape Expeller Oil)	360	362	-2
Kota (Rape Expeller Oil)	348	348	0
Jaipur (Rape Expeller Oil)	353	355	-2
Delhi (Rape Expeller Oil)	377	378	-1
Neewai (Kachchi Ghani Rape Oil)	367	368	-1

Groundnut Refine Oil

Today groundnut oil prices on spot market shows dull trends in most markets. GN oil prices were slightly down due to weak Vayda bazaar. Groundnut seeds were quoted remains Rs332/20 kg in Rajkot Mandi. Arrivals of groundnut seeds in Gujarat are about 38000-40000 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	25.02.06	24.02.06	Change
Mumbai	432	432	0
Rajkot	435	436	-1
Andhra Region	442	445	-3
Chennai	435	435	0

Sunflower Refine Oil

Sunflower oil prices on physical markets showed lackluster 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. The above-mentioned factors brought weak sentiments in the markets. CIF prices for sunflowers (March Shipment) at Kandla port were quoted at \$ 564 per tonnes, it is declined slightly as compared to previous trading day. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	25.02.06	24.02.06	Change
Mumbai +Vat	406	406	0
Chennai	430	433	-3
Hyderabad	425	425	0

Cotton Refine Oil

Today cotton oil prices on domestic spot market range bound with weak sentiments in most markets. Cotton oil prices dampen with soy oil prices. Weak Vayda bazaar of

brought poor sentiments in the markets. There was not any 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	25.02.06	24.02.06	Change
Mumbai	361	361	0
Hyderabad	365	365	0
Rajkot	352	353	-1

NBOT Soy oil futures as on 25.02.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	372.80	372.30	372.80	368.90	369.20	-3.60	29730
Apr '06	376.60	376.00	376.60	373.70	373.80	-2.80	550

NCDEX Soy Oil Futures Settle Down Sharply

Soy oil futures prices settled down sharply at NCDEX on Saturday. NCDEX March soy oil contract prices settled down Rs 3.45 at Rs 369.25/10 Kg, it was Rs 3.75 off the high and Rs 0.45 up from the low after moving in between of Rs 368.80 to Rs 373.00. Soy oil prices are expected to improve from Monday.

NCDEX Soy oil futures as on 25.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Mar'06	372.70	373.00	373.00	368.80	369.25	10450	20450
Apr'06	376.35	375.60	376.90	373.35	374.00	5990	21730

Forex Rates

(As on 25.02.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.44
European Union	Euro	52.79
Japan	100 Yen	38.02
United Kingdom	Pound Sterling	77.59
Malaysia	Ringgit	11.96
China	CNY	5.53
Argentina	ARS	14.46
Brazil	BRL	20.82
Indonesia	1000 IDR	4.79

LATEST WEATHER WATCH (25.02.2006)

Forecast valid for next 72 hours

NORTH WEST INDIA: Rain/snow likely at a few places over Jammu & Kashmir and Himachal Pradesh and isolated over Uttaranchal. Isolated rain/ thundershowers over Punjab and north Haryana during next 2-3 days. Day and night temperatures are likely to remain above normal by 4-6° C. Mainly Dry weather over the rest region.

EAST INDIA: Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest 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. Day temperatures likely to remain 2-3° C above normal. Night temperatures are likely to remain 2-3° C below normal.

WEST INDIA: Weather will be mainly dry over the region. Day and Night temperatures likely to remain markedly above normal over many parts of the region.

CENTRAL INDIA: Weather will be mainly dry over the region. Day temperatures are likely to remain 5-7° C above normal over Madhya Pradesh & Chhattisgarh.

Source: IMD, GOI

PORT-WATCH (Latest):

Edible Oil

Delivery of 4,586 MT of CPO is continuing at Kolkata Port from the vessel 'Feng Sheng You 2'.

'Nolowati' has berthed at Mumbai Port and is continuing to discharge 11,000 MT of CPO. The vessel is handled by Atlantic agents.

Mormugao Port is receiving 3,500 MT of CPO from the vessel 'Global Eos'. The cargo was loaded from Indonesia. Patvolk agents is handling the vessel.

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

JN Port is expecting 'Palauque' to discharge 16,000 MT of sun flower oil. The cargo was loaded from Argentina. Interocean agents is 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.

'Nolowati' is expected at Mundra Port to discharge 7,000 MT of CPO. Atlantic agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mormugao	Global Eos	3500	CPO	Arrived
Kolkata	Feng Sheng You 2	4586	CPO	Arrived
Tuticorin	MMM Houston	6000	Palm Oil	Expected
Kandla	Global triton	12250	CPO	Expected
Mumbai	Nolowati	11000	CPO	Arrived
JN Port	Palauque	16000	SFO	Arrived
Mundra	Nolowati	7000	CPO	Expected

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