

VEGOIL

February 08, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Lower
- BMD CPO Futures Settle Down
- NCDEX February Soy Oil Future Prices Settle Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX February Contract

Technical Analysis for February Contract:

1. The MACD is continuously moving upwards in positive zone, which indicates bullish market sentiments.
2. %K line is moving upwards and reached in over bought zone after crossing % D line from below in, which indicates bullish market sentiments.
3. Prices closed far above 9 days (349.81) and 18 days EMA (348.30), which indicates bullish market sentiments.

4. Candlestick pattern shows bullish trends.

Technical indicators showed the bullish market sentiments.

Market Advice: Market is expected to move range bound. There is possibility of trend reversal. It would be better to stay away.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	352.10	349.40	356.45	357.90

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 Soy Futures Settle Lower

Soy future settled low at Chicago Boards of Trades on Monday. March Soybeans settled down 7.75 cents at \$5.87/bushel, 17.50 cents off the high and 4 cents up from the low. May Soybeans settled down 7 cents at \$6.0050/bushel that was 3.50 cents up from the low and 16 cents off the high. March Soymeal settled down \$3 at \$181.0/ton which was \$0.8 up from the low and 3.3 off the high. March Soybean Oil settled down 0.09 cents at 22.57 cents/pound, 0.28 cents off the high and 0.32 cents up from the low. With the firm opening the market lost its strength due to lack of interest of fund buyers coupled with selling pressure of long position holders. At the same time, sellers were relaxed for the reason that fund buyers will not come forward due to lower movement of wheat and corn. Talk of improving South American weather situation and forecast of rain early this week and weakened in Argentina helped further to pull the market down.

CBOT Soy oil futures as 07.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	22.66	22.78	22.85	22.25	22.57	-0.09
May '06	23.07	23.25	23.25	22.67	22.97	-0.10
Jul '06	23.42	23.57	23.57	23.05	23.35	-0.07
Aug '06	23.54	23.32	23.47	23.27	23.47	-0.07
Sep '06	23.68	24.00	24.00	23.42	23.58	-0.10
Oct '06	23.80	24.15	24.15	23.57	23.77	-0.03
Dec '06	24.15	24.40	24.40	23.80	24.04	-0.11

CBOT remains closed on Saturday and Sunday.

South American Soybeans Futures Settle Higher

South American soybeans future settled high on Monday. March South American soybeans settled 10 cents higher on Friday to \$6.15/bushel as compared to previous closing price. Steady fund buying in the South American market helped to boost the prices up. Stability in the cash market at Paranagua Brazil late last week could also be a possible reason for the support. Weather forecast for the next week is supposed to remain dry. Mere possibility of entering fund buyers into the market leads to prevent the traditional sellers to take short position. It seems that major index fund may make another allocation to soybeans could also be the reason for gaining support. Recent production estimate for Brazil revealed at 57.1 million tonnes, lower than 57.4 million tonnes (10th January Forecast), which is still higher than the previous year's bumper crop at 52.6 million tonnes.

BMD CPO Futures Settle Down

Crude palm oil futures prices settled down at the Bursa Malaysia Derivatives on Tuesday. Palm oil prices dampened with CBOT Soy future prices. The benchmark April CPO contract ended at MYR1449/ton, down MYR12 from previous closing prices. The annual palm oil price outlook conference is due to be held in Kuala Lumpur by Feb. 22-24. Discussion will be on growth of bio fuel sectors in this conference. Palm oil stocks in Malaysia are reached at 1.6 million tons. The Malaysian Palm Oil Board is

expected to release official production on Friday, exports and stocks data for January. According to local traders, stocks are still likely to have remained above 1.5 million tons at end of January. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. are scheduled to issue an estimate for Malaysian palm oil exports in the Feb. 1-10 period on Friday.

BMD: CPO Futures (07.02.2006) (Ringgit/ton)							
Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1434	1434	1437	1433	1435	+1	426
Mar 06	1444	1441	1446	1440	1442	-2	534
Apr 06	1451	1450	1455	1447	1449	-2	2468
May 06	1455	1455	1459	1451	1454	-1	736
Jun 06	1457	1460	1461	1460	1460	+3	74

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets range bound with positive sentiments in most of the markets. Soy oil future prices surged on NCDEX brought positive impact on spot markets. 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	07.02.06	06.02.06	Change
Kandla CPO (5 % FFA)	338	337	+1
Kandla RBD Palmolein	356	355	+1
Mumbai RBD Palmolein	366	363	+3
Chennai RBD Palmolein	375	375	0
Kakinada RBD Palmolein	350	350	0
Hyderabad RBD Palmolein	370	370	0

Soy oil

Today soybean oil prices at physical markets range bound with positive sentiments in most of the markets due to low arrival of soybeans in major markets. NCDEX and NBOT February soy oil future prices open weak and improved sharply later on 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. Today's arrivals of soybean were 45000-50000, 20000-25000, 10000-15000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra, Rajasthan mandi respectively. Arrivals in Kota Mandi were 2000 bags only. Today soy oil prices on spot market were quoted in range of Rs 1130-55/qtl in Kota mandi. Soy oil prices are expected to move range bound with positive sentiments.

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	07.02.06	06.02.06	Change
Mumbai (Soy Ref oil)+VAT	349	346	+3
Indore (Soy Ref oil)	350	348	+2
Indore (Solvent Ex. Oil)+VAT	327	325	+2
Kota (Soy Ref. Oil)	362	360	+2
Jaipur (Soy Ref. Oil)	365	364	+1
Chennai (Soy Ref Oil)	365	362	+3
Hyderabad (Soy Ref)	360	360	0
Rajkot (Soy Ref)+Tax	344	342	+2

Rape/Mustard oil

Today mustard oil prices on spot markets went up slightly in most of the markets. Mustard seed prices in physical markets improved today due to improved in future prices on Hapur and Delhi exchange. Today mustard seeds prices were quoted in range of Rs 1500-1525 and Rs 1720-1725 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 2200-2500 bags and 2000 bags in Kota and Jaipur respectively. Arrivals of new mustard seeds in Kota were about 1400-1500 bags in Kota out of 2200-2500 bags, it is more than 50% of total arrivals in Kota. February future prices of mustard seeds are increased at 339.80 (+0.80) and 346.10 (+2.10) in Delhi and Hapur exchange respectively. Mustard oil prices are expected to move range bound with positive sentiments in near terms.

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

Centres	07.02.06	06.02.06	Change
Mumbai (Rape Expeller Oil)	372	368	+4
Kota (Rape Expeller Oil)	365	362	+3
Jaipur (Rape Expeller Oil)	370	365	+5
Delhi (Rape Expeller Oil)	392	391	+1
Neewai (Kachchi Ghani Rape Oil)	382	380	+2

Groundnut Refine Oil

Today groundnut oil prices at spot market showed lacklustre in most of the markets amidst low demand in at retail ends. Groundnut seeds declined slightly in Rajkot mandi today as compared to previous trading day. Groundnut prices were quoted at Rs336/20 kg in Rajkot mandi today. Arrivals of groundnut seeds in Gujarat remain at 45000-50000 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	07.02.06	06.02.06	Change
Mumbai	435	435	0
Rajkot	445	447	-2
Andhra Region	435	437	-2
Chennai	435	432	+3

Sunflower Refine Oil

Sunflower oil prices on physical markets showed mixed sentiments. 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	07.02.06	06.02.06	Change
Mumbai +Vat	400	395	+5
Chennai	430	430	0
Hyderabad	415	415	0

Cotton Refine Oil

Today cotton oil prices on domestic spot market likely steady in most of the markets. Prices are expected to move range bound with positive sentiments in near term.

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

Markets	07.02.06	06.02.06	Change
Mumbai	355	353	+2
Hyderabad	347	347	0
Rajkot	348	348	0

NBOT Soy oil futures as on 07.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	351.70	350.90	353.80	350.60	353.80	+2.10	12240
Mar '06	358.60	358.00	361.40	357.00	361.20	+2.60	26260

NCDEX Soy Oil Futures Settle Up

Soy oil future prices settled up at NCDEX on Tuesday. NCDEX February soy oil prices settled up Rs 2.25 at Rs 354.85/10 Kg, it was Rs 0.50 off the high and Rs 3.85 up from the low. February soy oil prices moved in range of Rs 351.00 to Rs 355.35. There is talk in the market that government can increase the excise duty on soy oil import in budget of Feb 28. Soy oil prices are expected to move range bound in near term.

NCDEX Soy oil futures as on 07.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	352.60	352.30	355.35	351.00	354.85	6690	9380
Mar'06	359.25	358.20	362.25	357.30	362.00	18570	14200

LATEST WEATHER WATCH (07.02.2006)**Forecast valid for next 72 hours**

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

EAST INDIA: Weather will be mainly dry over the region.

NORTHEAST INDIA: Weather will be mainly dry over the region.

SOUTH INDIA: Weather will be mainly dry in the region.

WEST INDIA: Weather will be mainly dry over the region.

CENTRAL INDIA: Weather will be mainly dry over the region.

Source: IMD, GOI

Forex Rates (As on 07.02.2006)		
Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	53.01
Japan	100 Yen	37.23
United Kingdom	Pound Sterling	77.43
Malaysia	Ringgit	11.83
China	CNY	5.48
Argentina	ARS	14.40
Brazil	BRL	20.27
Indonesia	1000 IDR	4.80

Delivery of 6,000 MT of palm oil is expected at Tuticorin Port from the vessel 'Spring Glory'. St. John 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
Chennai	Bunga Melati Dua	9000	SFO	Expected
Kolkata	Merkur	13000	SBO	Arrived
	Vernal Grace	6000	CPO	Arrived
Tuticorin	Spring Glory	6000	Palm Oil	Expected

PORT-WATCH (Latest):

Edible Oil

'Vernal Grace' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. The port is receiving 13,000 MT of SBO from the vessel 'Merkur'. Seaport agents is 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.

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