

VEGOIL

February 16, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Down on Hefty Oil Stock
- BMD CPO Futures Settle Up on Friendly Export Figure
- NCDEX March Contract Soy Oil Prices Settle Up
- GOI: Revised Higher Base Import Prices on Edible Oil

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD is moving northwards in positive zone, which indicates bullish market sentiments.
2. %K line has just turned flatly northward in neutral zone and it is near to touch the % D line, which hinting slightly bullish market sentiments.
3. Prices closed far above 9 days (364.79) and 18 days (360.21) EMA, which indicates bullish market sentiments.

4. Candlestick pattern shows bullish market sentiments.

Market Advice: Buy near 370.00, target near 371.50, put stop loss at 369.30.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	368.15	366.30	371.85	373.60

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 Down on Hefty Oil Stock

Soy future settled low at Chicago Boards of Trades on Tuesday. March Soybeans settled down 1 cent at \$5.8325/bushel, 3.75 cents off the high and 2.25 cents up from the low. May Soybeans finished down 1.75 cents at \$5.96/bushel, which was 2.50 cents up from the low and 3 cents off the high. March Soybean Oil settled down \$0.2 at \$182.5/ton that was \$0.7 up from the low and \$1.8 off the high. March Soybean Oil settled down 0.18 cents at 22.04 cents/pound, 0.16 cents off the high and 0.1 cents up from the low. The market rose high initially on account of adverse weather condition with high open interest but later on it decline due to short-term technical correction, which results into bearish sentiments. NOPA crush report reveal January crush at 145.646 million bushels, slightly higher than the expectations of 140.4-145.0 million bushels. This high volume of crush results into higher oil stocks which could be the reason for adding bearish tone. Present soybean oil stocks is at 2.057 billion pounds which is higher than December oil stock at 1.829 billion pounds and much higher than end of January last year at 1.217 billion pounds. Hefty prevailing oil stocks pressurised the market with bearish sentiments.

CBOT Soy oil futures as 14.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar 06	22.22	22.20	22.20	21.94	22.04	-0.18
May'06	22.63	22.57	22.57	22.33	22.43	-0.20
Jul '06	23.03	22.93	22.93	22.72	22.81	-0.22
Aug'06	23.15	23.05	23.05	22.90	22.95	-0.20
Sep'06	23.29	23.21	23.21	23.05	23.08	-0.21
Oct '06	23.46	23.30	23.30	23.20	23.24	-0.22
Dec'06	23.70	23.65	23.65	23.46	23.54	-0.16

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Higher

South American soybean futures settled firm. March South American soybeans settled 9 cents higher to \$6.34/bushel on Monday, which remained highest value since January 6th. March contract of South American soybeans have improved due to weather concerns and firmness in old crop, which registered positive impact. Stress condition in Southern Brazil and South America is expected to continue for few days, perhaps affecting the crop yield. Weather concern coupled with high export report helped the market to maintain its firm position. In few pockets the crop is at its critical stage of pod filling and if stressed condition prevails for long then crop will suffer due to shrinkage in grains and high pod shedding. Slowdown of farmers selling, high export of South American soybean firm cash market conditions in Brazil, are other reason for strengthening the market. Taiwan is looking for 40,000-60,000 tonnes of Brazil or US soybeans, which further boost the market up.

BMD CPO Futures Settle Up on Friendly Export figure

Crude palm oil futures at Bursa Malaysia Derivatives settled up on Wednesday amid strong export demands of palm oil. The benchmark April CPO contract settled at MYR1484/ton, up MYR7 from previous closing prices. Traders are expecting prices may go up to MYR 1500 in coming days only due to strong demands of exports and weak production is expected at the end of February. The annual price outlook conference organized by Bursa Malaysia will be held Feb. 22-24 in Kuala Lumpur. Traders are expecting bullish news from speaker of this conference. Palm oil prices are increasing in hope that demands for palm oil will increase only for increasing demands of bio-diesel in coming days. Friendly export estimates for Feb. 1-15 further fuelled the bullish sentiment on Wednesday. Cargo surveyor SGS (Malaysia) Bhd. estimated Feb. 1-15 exports at 552,999 tons, It is up 19.4% as compared to Jan 1-15,2006. Export figures of palm oil was higher than traders expectations, traders' expectations range was 500000-520000 ton. Palm oil stock is expected to decline slightly at the end of February due to higher export and low production is expected at the end of this month.

BMD: CPO Futures (15.02.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1462	1472	1472	1455	1455	-7	30
Mar 06	1469	1466	1475	1464	1475	+6	661
Apr 06	1477	1475	1484	1472	1484	+7	2170
May 06	1481	1479	1488	1477	1488	+7	1722
Jun 06	1483	1477	1489	1477	1488	+5	107

BMD remains closed on Saturday and Sunday.

GOI: Revises Higher Base Import Prices on Edible Oils

Government of India has revised higher base import prices on edible oil on February 15,2006. Government of India revised higher base import prices on Crude Soybean Oil at \$501/ton (+17) from \$ 484/ton, Crude Palm Oil at \$ 426 /ton (+14) from \$ 412/ton, RDB Palm Oil at \$ 441/ton (+14) from \$ 427/ton, Crude Palmolein at \$ 448/ton (+14) from \$ 434/ton, RBD Palmolein at \$ 451/ton (+14) from \$ 437/ton, Other palm oil at \$ 434/ton (+14) from \$ 420/ton and Other palmolein at \$ 450/ton (+14) from \$ 436/ton. Base import prices are used by the government of India to calculate import duties regardless of the actual market prices of the commodities. Revised tariff values of various edible oils as shown in the table below.

Table: Government of India has revised base import prices:

Commodities	Current Tariff Rate	Previous Tariff Rate	Change (US \$)
Crude Soybean Oils	501	484	+17
CPO	426	412	+14
RBD Palm Oil	441	427	+14
Crude Palm Olein	448	434	+14
RBD Palm Olein	451	437	+14
Other Palm Oil	434	420	+14
Other Palmolein	450	436	+14

The revised value is effective from today i.e., Feb 15, 2006. Source; PIB

Palm Oil

Today palm oil prices on spot markets were steady amid positive sentiments in most of the markets. Palm oil prices followed soy oil prices on spot markets only because both are traditional rival of each other. Today GOI revised higher base import prices at \$ 14/ton on RBD and crude palm oil and palmolein. Palm oil prices are expected to move range bound with positive sentiments in coming days.

FOB prices of CPO (February) were quoted at \$ 395.00 per tonnes and February RBD Palmolein at \$ 410.00 per tonnes; it is slightly increased today as compared to previous trading day.

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

Centres	15.02.06	14.02.06	Change
Kandla CPO (5 % FFA)	343	343	0
Kandla RBD Palmolein	360	359	+1
Mumbai RBD Palmolein	370	369	+1
Chennai RBD Palmolein	376	376	0
Kakinada RBD Palmolein	360	360	0
Hyderabad RBD Palmolein	377	376	+1

Soy oil

Today soybean oil prices on domestic spot markets went up slightly in most of the markets due to revised higher base import prices on edible oil. NCDEX and NBOT March contract soy oil prices ends up as compared to previous closing prices. Today's arrivals of soybean were 90000-950000 bags (1 bags=85 Kg) in major markets of India. Arrivals in Kota Mandi were 3000 bags only. Today soybeans prices on spot market were quoted in range of Rs 1120-50/qtl in Kota mandi. Soy oil prices are expected to move range bound with positive sentiments due to revised higher base import prices on crude soy oil by GOI to \$501/ton (+\$17/ton) from \$ 484/ton.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 330 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 504 per tonne.

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

Centres	15.02.06	14.02.06	Change
Mumbai (Soy Ref oil)+VAT	354	352	+2
Indore (Soy Ref oil)	359	358	+1
Indore (Solvent Ex. Oil)+VAT	336	337	-1
Kota (Soy Ref. Oil)	370	365	+5
Jaipur (Soy Ref. Oil)	374	368	+6
Chennai (Soy Ref Oil)	368	367	+1
Hyderabad (Soy Ref)	363	362	+1
Rajkot (Soy Ref)+Tax	345	344	+1

Rape/Mustard oil

Today mustard oil prices on spot markets were steady amid weak sentiments in most of the markets. Today mustard seeds prices on spot markets were quoted in range of Rs 1440-1480 and Rs 1700 in Kota and Jaipur mandi respectively. Prices of mustard seeds slightly declined due to arrivals of new mustard seeds in Neemuch and Kota region. Arrivals of mustard seeds were 8,000 bags and 3,000 bags in Kota and Jaipur mandi respectively.

Arrivals of new mustard seeds were 5000 bags in Neemuch areas, Madhya Pradesh. Mustard oil prices are expected to move range bound with weak sentiments.

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

Centres	15.02.06	14.02.06	Change
Mumbai (Rape Expeller Oil)	374	375	-1
Kota (Rape Expeller Oil)	365	365	0
Jaipur (Rape Expeller Oil)	370	368	+2
Delhi (Rape Expeller Oil)	390	391	-1
Neewai (Kachchi Ghani Rape Oil)	386	386	0

Groundnut Refine Oil

Today groundnut oil prices on spot market showed mixed trends in most of the markets. GN oil prices improved slightly in Chennai markets amidst good demands at retail ends. Groundnut oil prices are declined in Rajkot mandi only due to low demands at retail ends. Groundnut prices were quoted at Rs336/20 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	15.02.06	14.02.06	Change
Mumbai	436	435	+1
Rajkot	437	440	-3
Andhra Region	440	440	0
Chennai	440	437	+3

Sunflower Refine Oil

Sunflower oil prices on physical markets showed dull trends in most of the markets. There was no fresh fundamental news in the markets to boost of sunflower oil prices. CIF prices for sunflowers (February Shipment) at Kandla port were quoted at \$ 551 per tonnes. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	15.02.06	14.02.06	Change
Mumbai +Vat	403	405	-2
Chennai	430	430	0
Hyderabad	418	422	-4

Cotton Refine Oil

Today cotton oil prices on domestic spot market went up slightly in most of the markets. Cotton oil prices followed the soy oil prices. Improved soy oil future as well as spot market prices brought positive impact on cotton oil prices. Another reason for improves the cotton oil prices due to low arrivals of cottonseeds 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	15.02.06	14.02.06	Change
Mumbai	364	363	+1
Hyderabad	362	360	+2
Rajkot	350	348	+2

NBOT Soy oil futures as on 15.02.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	367.50	368.10	371.80	368.10	370.00	+2.50	42000
Apr '06	370.30	372.00	374.10	371.70	372.80	+2.50	1320

NCDEX Soy Oil Futures Settle Higher

Soy oil futures prices settled higher at NCDEX on Wednesday due to revised base import prices on edible oil today i.e. Feb 15, 2006. NCDEX March soy oil contract prices settled higher Rs 2.25 at Rs 370.05/10 Kg, it was Rs 1.70 off the high and Rs 1.95 up from the low after moving in between of Rs 368.10 to Rs 371.75. Soy oil prices are expected to move range bound with positive sentiments in near term.

NCDEX Soy oil futures as on 15.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	359.35	361.30	363.00	360.20	361.50	3900	4980
Mar'06	367.80	368.10	371.75	368.10	370.05	14230	20230

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

'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. 'Tirta Niaga 2' has berthed at the port and continues to deliver 6,000 MT of CPO. The vessel is being handled by GAC agents. 'Vernal Grace' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. The vessel is being handled by Atlantic agents.

New Mangalore Port is receiving 6,000 MT of CPO from the vessel 'L Star'. Seaworld 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.

'Siam Pavinee' has berthed at Kakinada Port and continues to deliver 4,000 MT of CPO. Kakinada Port is expecting 'Mountain Blossom' to discharge 3,000 MT of SBO.

Kandla Port is receiving 12,250 MT of CPO from the vessel 'Global Neptune'. The cargo was loaded from Malaysia. Forbes Gokak 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.

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.

'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	Bunga Melati Dua	9000	SFO	Expected
Kolkata	Rising One	5500	SBO	Arrived
	Tirta Niaga 2	6000	CPO	Arrived
	Vernal Grace	6000	CPO	Arrived
	Bunga Melati Dua	20942	SBO	Arrived
	Mountain Blossom	15500	SBO	Arrived
Tuticorin	MMM Houston	6000	Palm Oil	Expected
Kandla	Global Neptune	12250	CPO	Arrived
Kakinada	Mountain Blossom	3000	SBO	Arrived
	Siam Pavinee	4000	CPO	Arrived
Mumbai	Nolowati	11000	CPO	Expected
New Manglore	Champion Vincita	5000	SBO	Expected
	L-Star	6000	CPO	Arrived

Forex Rates**(As on 15.02.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	52.74
Japan	100 Yen	37.63
United Kingdom	Pound Sterling	76.82
Malaysia	Ringgit	11.90
China	CNY	5.50
Argentina	ARS	14.42
Brazil	BRL	20.71
Indonesia	1000 IDR	4.81

LATEST WEATHER WATCH (15.02.2006)

Forecast valid for next 72 hours

NORT WEST INDIA

Rain/snow likely at many places over higher reaches of Jammu & Kashmir and at a few places over rest Jammu & Kashmir, Himachal Pradesh and Uttarakhand. Isolated rain/thundershowers also likely over Punjab and Haryana, Chandigarh & Delhi during next 24 hours. Weather will be mainly dry over the rest region.

EAST INDIA

Isolated rain/thundershowers is likely over Sub- Himalayan West Bengal & Sikkim.

NORTHEAST INDIA

Rain/thundershowers are likely over at a few places over Assam and Arunachal Pradesh and isolated over Nagaland, Manipur, Mizoram and Tripura. Weather will be mainly dry 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 interior Peninsula are likely to remain 2-4°C below normal.

WEST INDIA

Isolated rain/thundershowers may occur over Rajasthan during next 24 hours. Weather will be mainly dry over the rest region. A fall of 2-3°C in Night temperatures is expected over Rajasthan.

CENTRAL INDIA

Weather will be mainly dry over the region with a fall of 2-3°C in Night temperatures over Madhya Pradesh.

Source: IMD, GOI

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