

VEGOIL

February 22, 2006

MAJOR ACTIVITY HIGHLIGHTS

- BMD CPO Futures Settle Down Ahead of Price Outlook Conference
- NCDEX March Contract Soy Oil Prices Settle Down

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD has just turned downwards, which indicates bearish market sentiments.
2. %K line is moving downwards in neutral after crossing % D line, which indicates bearish market sentiments.
3. Prices closed above 9 days (373.34) and far above 18 days (367.63) EMA, which indicates slightly bullish market sentiments.

4. Candlestick pattern shows bearish market sentiments.

All technical indicators show bearish market sentiments

Market Advice: Go short with cautions. Sell near 374.60, target near 373.00, put stop loss at 375.40.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	372.20	370.00	377.65	380.80

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 Closed on Monday (National Holiday in USA due to Presidents Day)

CBOT Soy oil futures as 17.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	22.57	22.75	23.39	22.75	23.33	+0.76
May '06	22.98	23.22	23.80	23.22	23.71	+0.73
Jul '06	23.35	23.70	24.15	23.65	24.07	+0.72
Aug '06	23.50	23.85	24.19	23.80	24.19	+0.69
Sep '06	23.64	24.10	24.32	23.95	24.32	+0.68
Oct '06	23.80	24.25	24.48	24.08	24.48	+0.68
Dec '06	24.11	24.40	24.90	24.33	24.69	+0.58

CBOT remains closed on Saturday and Sunday.

BMD CPO Futures Settled Down

Crude palm oil futures on the Bursa Malaysia Derivatives settled down on Tuesday. The benchmark May CPO contract settled at MYR1474 a metric ton, down MYR12 from previous trading day, after moving between MYR1473/ton to MYR1486/ton. The annual price outlook conference would start from Wednesday. Traders are waiting news from speaker of above-mentioned conference after that traders will involve aggressively in trade again. There was new fresh bullish fundamental news to boost up its prices. Weaker e-CBOT was another factor to decline palm oil prices. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. issued estimates showing higher Malaysian palm oil exports in Feb. 1-20. Intertek estimated Feb. 1-20 exports at 762,808 tons, up 13.79% on month, while; SGS pegged exports at 744,152 tons, up 13.3% on month.

BMD: CPO Futures (21.02.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar '06	1466	1458	1466	1457	1457	-9	263
Apr '06	1480	1474	1479	1469	1470	-10	637
May '06	1486	1482	1486	1473	1474	-12	3702
Jun '06	1489	1485	1488	1477	1477	-12	1467
Jul '06	1490	0	0	0	1490	0	0

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets went down in most markets. BMD CPO futures settled lower on Tuesday. Palm oil prices dampen with soy oil prices on domestic spot markets today. Palm oil and soy oil both are traditional rivals of each other's. Palm oil prices are expected to move range bound in coming days.

FOB prices of CPO (February) were quoted at \$ 395.00 per tonnes and February RBD Palmolein at \$ 415.00 per tonnes.

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

Centres	21.02.06	20.02.06	Change
Kandla CPO (5 % FFA)	350	350	0
Kandla RBD Palmolein	363	364	-1
Mumbai RBD Palmolein	359	370	-11
Chennai RBD Palmolein	378	378	0
Kakinada RBD Palmolein	362	365	-3
Hyderabad RBD Palmolein	375	378	-3

Soy oil

Today soybean oil prices on domestic spot markets remain moved down in most markets due to widely spread of bird flu, lower settlement of CPO futures at BMD on Tuesday and weaker e-CBOT. NCDEX and NBOT March contract soy oil prices settled down as compared to previous closing prices. Today's arrivals of soybean were 40000-40000, 14000-15000 and 10000-12000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra and Rajasthan respectively. Arrivals in Kota Mandi were 5000 bags only. Today soybeans prices on spot market were quoted in range of Rs 1125-40/qlt in Kota mandi. Today soy oil prices were quoted Rs 370 and Rs 375 per 10 kg in Kota and Jaipur respectively. Soy oil prices are expected to move range bound with weak sentiments in near term.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 348 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 531 per tonne.

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

Centres	21.02.06	20.02.06	Change
Mumbai (Soy Ref oil)+VAT	359	360	-1
Indore (Soy Ref oil)	366	368	-2
Indore (Solvent Ex. Oil)+VAT	339	344	-5
Kota (Soy Ref. Oil)	370	372	-2
Jaipur (Soy Ref. Oil)	375	376	-1
Chennai (Soy Ref Oil)	374	374	0
Hyderabad (Soy Ref)	371	372	-1
Rajkot (Soy Ref)+Tax	355	355	0

Rape/Mustard oil

Today mustard oil prices on spot markets showed dull trends in most markets due to more supply of new mustard seeds. Today mustard seeds prices on spot markets were quoted in range of Rs 1475-1505 and Rs 1710 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 8000-8500 bags and 4,000 bags in Kota and Jaipur mandi respectively. Total arrivals of mustard seeds were about 80,000 bags in Rajasthan today. Harvesting pressure and lower soy oil prices on spot markets brought negative impact on its prices. Mustard oil prices are expected to move range bound in near term.

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

Centres	21.02.06	20.02.06	Change
Mumbai (Rape Expeller Oil)	373	373	0
Kota (Rape Expeller Oil)	360	365	-5
Jaipur (Rape Expeller Oil)	365	368	-3
Delhi (Rape Expeller Oil)	385	385	0
Neewai (Kachchi Ghani Rape Oil)	376	380	-4

Groundnut Refine Oil

Today groundnut oil prices on spot market range bound with weak sentiments in most markets amidst low demands at retail ends. Groundnut oil prices dampened with soy oil prices. Lower soy oil prices on Vayda Bazaar as well as spot markets brought negative impact on GN oil prices. Groundnut prices were quoted at Rs333/20 kg in Rajkot mandi today; it is down slightly as compared to previous trading day. 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	21.02.06	20.02.06	Change
Mumbai	437	437	0
Rajkot	435	438	-3
Andhra Region	444	445	-1
Chennai	440	440	0

Sunflower Refine Oil

Sunflower oil prices on physical markets showed mixed sentiments amidst low demands at retail ends. Import of sunflower oil is expected to 22248 metric ton at Kandla port. CIF prices for sunflowers (March Shipment) at Kandla port were quoted at \$ 574 per tonnes. Sunflower oil prices are expected to move range bound in coming days.

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

Markets	21.02.06	20.02.06	Change
Mumbai +Vat	412	409	+3
Chennai	435	437	-2
Hyderabad	425	430	-5

Cotton Refine Oil

Today cotton oil prices on domestic spot market went down slightly in most markets. Cotton oil prices dampen with soy oil prices. Lower soy oil prices on spot market prices brought negative impact on cotton oil prices. Prices are expected to move range bound in near term.

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

Markets	21.02.06	20.02.06	Change
Mumbai	367	370	-3
Hyderabad	365	370	-5
Rajkot	353	355	-2

NBOT Soy oil futures as on 21.02.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	377.60	377.00	378.40	373.60	373.60	-4.00	58000
Apr '06	381.00	380.00	382.20	377.60	376.80	-4.20	1200

NCDEX Soy Oil Futures Settle Down

Soy oil futures prices settled down sharply at NCDEX on Tuesday due to more supply of mustard seeds, widely spread of bird flu, lower settlement of CPO futures at BMD on Tuesday and weaker e-CBOT. NCDEX March soy oil contract prices settled down Rs 3.30 at Rs 374.45/10 Kg, it was Rs 4.15 off the high and Rs 1.25 up from the low after moving in between of Rs 373.20 to Rs 378.60. Soy oil prices are expected to move range bound with weak sentiments in near term.

NCDEX Soy oil futures as on 21.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Mar'06	377.75	377.00	378.60	373.20	374.45	16200	27290
Apr'06	380.45	378.35	381.65	376.20	377.00	7060	25020

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

'Global Eos' from Indonesia has berthed at Mumbai Port and continues to deliver 7,999 MT of CPO. Forbes Gokak agents is handling the vessel. 'Nolowati' is expected at Mumbai Port to discharge 11,000 MT of CPO.

Kolkata Port is receiving 6,000 MT of CPO from the vessel 'MMM Jackson'. GAC agents is handling the vessel. Delivery of 7,294 MT of CPO is continuing at Kolkata Port from the vessel 'Spring Wind'. Seaworld agents is handling the vessel. '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'.

Chennai Port is receiving 6,000 MT of palm oil from the vessel 'MMM Houston'. 'Ace I' is expected at Chennai Port to discharge 6,000 MT of CPO. Interocean agents will be handling the vessel.

Kandla Port is receiving 6,000 MT of CPO from the vessel 'Broving Bay'. The cargo was loaded from Dumai. Interocean agents is handling the vessel. 'Palaque' from Argentina is expected at the port to deliver 22,248 MT of sun flower oil. The vessel will be handled by Interocean agents.

'Champion Vincita' is expected at New Mangalore Port to deliver 5,000 MT of SBO. Interocean 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.

JN Port is expecting 'Broving Bay' to discharge 6,000 MT of CPO. The cargo was loaded from Dumai. 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.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mormugao	Global Eos	3500	CPO	Expected
Chennai	MMM Houston	6000	Palm Oil	Arrived
	Ace-1	6000	CPO	Expected
Kolkata	MMM Jackson	6000	CPO	Arrived
	Bunga Melati Dua	20942	SBO	Arrived
	Mountain Blossom	15500	SBO	Arrived
	Spring Wind	7294	CPO	Arrived
Tuticorin	MMM Houston	6000	Palm Oil	Expected
Kandla	Broving Bay	6000	CPO	Arrived
	Palauque	22248	SFO	Expected
Mumbai	Nolowati	11000	CPO	Expected
	Global Eos	7999	CPO	Arrived
New Mangalore	Champion Vincita	5000	SBO	Expected
JN Port	Broving Bay	6000	CPO	Arrived

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: Weather will be mainly dry over the region. Night temperatures over the Peninsula are likely to remain near normal, though the day temperatures will remain 2-3°C above normal.

WEST INDIA: Weather will be mainly dry over the region. Day and Night temperatures over many parts of Rajasthan are likely to remain 6-8°C above normal.

CENTRAL INDIA: Weather will be mainly dry over the region. Day and night temperatures over northwest Madhya Pradesh are likely to remain 6-8° C above normal and 4-6° C over rest Madhya Pradesh and Chhattisgarh.

Source: IMD, GOI

Forex Rates		(As on 21.02.2006)
Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.40
European Union	Euro	52.95
Japan	100 Yen	37.46
United Kingdom	Pound Sterling	77.42
Malaysia	Ringgit	11.94
China	CNY	5.52
Argentina	ARS	14.48
Brazil	BRL	21.03
Indonesia	1000 IDR	4.80

LATEST WEATHER WATCH (21.02.2006)

Forecast valid for next 72 hours

NORTH WEST INDIA: Isolated rain/snow likely over higher reaches of Jammu & Kashmir on 23rd only. Mainly Dry weather over the rest region. Day temperatures are likely to remain 6-8°C above normal over the region.

EAST INDIA: Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region. Temperatures over the region are likely to remain 4-6°C above normal.

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