

VEGOIL

February 09, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX March Contract

Technical Analysis for March Contract:

1. The MACD is moving upwards in positive zone, which indicates bullish market sentiments.
2. %K line has turned slightly downwards in overbought zone but it is not crossed % D line, which is hinting trend reversal, but confirmation is required.
3. Prices closed far above 9 days and 18 days EMA, which indicates bullish market sentiments.

4. Candlestick formed spinning top pattern, which indicates indecisive market.

Market Advice: Market is indecisive. 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 Mar '06	360.50	358.60	363.60	365.00

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 Lower

Soy future settled low at Chicago Boards of Trades on Tuesday. March Soybeans settled down 13 cents at \$5.74/bushel, 20 cents off the high and 1 cent up from the low. May Soybeans settled down 12.50 cents at \$5.88/bushel, which was 1 cent up from the low and 18.50 cents off the high. March Soybean Oil settled down 0.29 cents at 22.28 cents/pound, 0.56 cents off the high and 0.02 cents up from the low. Due to active speculative selling the market take a dip and March soybean reached to its lowest level as during late January. Crop condition in Brazil and South America seems to be favourable for soybean. US ending stocks is at the second highest level at 534 million bushel then 1985/86 level of 536 million bushels.

CBOT Soy oil futures as 08.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar '06	22.57	22.70	22.84	22.26	22.28	-0.29
May '06	22.97	23.13	23.22	22.70	22.73	-0.24
Jul '06	23.35	23.54	23.57	23.12	23.17	-0.18
Aug '06	23.47	23.72	23.72	23.30	23.30	-0.17
Sep '06	23.58	23.70	23.83	23.44	23.44	-0.14
Oct '06	23.77	23.85	23.95	23.58	23.58	-0.19
Dec '06	24.04	24.20	24.27	23.80	23.82	-0.22

CBOT remains closed on Saturday and Sunday.

South American Soybeans Futures Settle Lower

South American soybeans future settled low on Tuesday. March South American soybeans settled 7 cents lower to \$6.08/bushel. Harvesting pressure coupled with steady fund buying in CBOT leads to losing strength in the market. Southern Brazil and Argentina seems to remain dry for this week but won't be a problem until it will stretch for a long time. Recent announcement from Brazil's Geographic and Statistical Institute forecast reveals that the production of Brazil soybean is likely to dip to 59.0 million tonnes from the January forecast of 59.2 million tonnes, which is still higher than the previous years production of 51.1 million tonnes. Brazil's Ag Minister on Tuesday said the crop may likely to be at 58.2 million tonnes as compared to December forecast of 57.4-58.5 million tonnes. The Vegetable Oils Industry Association in Brazil forecasted for the soybean to be at 57.1 million tonnes. Huge stock of soybean in US and other part of the world could be the other reason for the downfall.

BMD CPO Futures Settle Down

Crude palm oil future settled down at Bursa Malaysia Derivatives on Wednesday. BMD CPO future prices dampen with soyoil futures on the Chicago Board of Trade. The benchmark April CPO contract settled at MYR1444 /metric ton, it is down MYR5 from previous closing and

trading range was MYR1442-MYR1447 today. Trading activity was slow on BMD today due to lack of fresh fundamental news. Malaysian Palm Oil Board is due to release official January production, export and stock figures on Friday. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. are due to issue export estimates for the Feb. 1-10 period by Friday. The U.S. Department of Agriculture is due to issue its latest 2005-06 crop estimates by Thursday.

BMD: CPO Futures (08.02.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1435	1431	1432	1431	1432	-3	243
Mar 06	1443	1439	1439	1436	1438	-5	296
Apr 06	1449	1445	1447	1442	1444	-5	1338
May 06	1455	1451	1452	1449	1450	-5	464
Jun 06	1460	1450	1450	1450	1450	-10	5

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets were steady in most of the markets. Palm oil prices dampen with soy oil future prices on NCDEX. There was no fresh fundamental news to push up its prices. 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 \$ 400 per tonnes.

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

Centres	08.02.06	07.02.06	Change
Kandla CPO (5 % FFA)	338	338	0
Kandla RBD Palmolein	356	356	0
Mumbai RBD Palmolein	366	366	0
Chennai RBD Palmolein	375	375	0
Kakinada RBD Palmolein	353	350	+3
Hyderabad RBD Palmolein	370	370	0

Soy oil

Today soybean oil prices on physical markets range bound with mixed sentiments in most of the markets. NCDEX February soy oil future prices settled marginally down today as compared to previous closing prices. Today's arrivals of soybean were 45000-50000, 20000-22000, 12000-15000 bags (1 bags=85 Kg) in Madhya Pradesh, Maharashtra, Rajasthan mandi respectively. Arrivals in Kota Mandi were 5000 bags only. Today soybeans prices on spot market were quoted in range of Rs 1120-45/qlt in Rajkot mandi. Soy oil prices are expected to move range bound.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 326 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	08.02.06	07.02.06	Change
Mumbai (Soy Ref oil)+VAT	347	349	-2
Indore (Soy Ref oil)	351	350	+1
Indore (Solvent Ex. Oil)+VAT	328	327	+1
Kota (Soy Ref. Oil)	362	362	0
Jaipur (Soy Ref. Oil)	366	365	+1
Chennai (Soy Ref Oil)	364	365	-1
Hyderabad (Soy Ref)	360	360	0
Rajkot (Soy Ref)+Tax	344	342	+2

Rape/Mustard oil

Today mustard oil prices on spot markets range bound with positive sentiments in most of the markets. Today mustard seeds prices were quoted in range of Rs 1460-1515 and Rs 1725-1730 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 2500 bags and 2000 bags in Kota and Jaipur respectively. Arrivals of new mustard seeds in Kota were about 60% of total arrivals in Kota. February future prices of mustard seeds are increased at 340.70 (+0.90) on Delhi exchange and on the other hand, 346.00 (-0.10) on Hapur exchange it is declined marginally by Rs 0.10. Mustard oil prices are expected to move range bound in near terms.

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

Centres	08.02.06	07.02.06	Change
Mumbai (Rape Expeller Oil)	373	372	+1
Kota (Rape Expeller Oil)	363	363	0
Jaipur (Rape Expeller Oil)	366	366	0
Delhi (Rape Expeller Oil)	393	392	+1
Neewai (Kachchi Ghani Rape Oil)	383	382	+1

Groundnut Refine Oil

Today groundnut oil prices on spot market were unchanged in most of the markets. Groundnut seeds declined slightly in Rajkot mandi today as compared to previous trading day. Groundnut prices were quoted at Rs338/20 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	08.02.06	07.02.06	Change
Mumbai	435	435	0
Rajkot	445	445	0
Andhra Region	435	435	0
Chennai	435	435	0

Sunflower Refine Oil

Sunflower oil prices on physical markets showed lackluster in most of the markets. There was no fresh fundamental news to push up its prices. 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	08.02.06	07.02.06	Change
Mumbai +Vat	400	400	0
Chennai	432	430	+2
Hyderabad	415	415	0

Cotton Refine Oil

Today cotton oil prices on domestic spot market likely steady in most of the markets amidst low demand at retail ends. Arrivals of cottonseeds are good in major markets. Prices are expected to move range bound with positive sentiments in near term.

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

Markets	08.02.06	07.02.06	Change
Mumbai	356	355	+1
Hyderabad	350	350	0
Rajkot	348	348	0

NBOT Soy oil futures as on 08.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	353.80	353.50	354.30	352.20	353.80	0	7190
Mar '06	361.20	360.10	362.80	360.00	361.90	+0.70	30960

NCDEX Soy Oil Futures Settle marginally Down

Soy oil future prices settled down at NCDEX on Wednesday. NCDEX February soy oil prices settled lower Rs 1.05 at Rs 354.00/10 Kg, it was Rs 2.50 off the high and Rs 1.00 up from the low. February soy oil prices moved in range of Rs 353.00 to Rs 356.50. Soy oil prices are expected to move range bound in near term.

NCDEX Soy oil futures as on 08.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	355.05	355.00	356.50	353.00	354.00	5210	10330
Mar'06	362.00	361.00	363.20	360.00	362.25	13580	14870

LATEST WEATHER WATCH (08.02.2006)**Forecast valid for next 72 hours**

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

EAST: Weather will be mainly dry over the region.

NORTHEAST: Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim and northeastern States on 10th & 11th. Weather will be mainly dry over the rest region.

SOUTH: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region.

WEST: Weather will be mainly dry over the region.

CENTRAL: Weather will be mainly dry over the region.

Source: IMD, GOI

Forex Rates (As on 08.02.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.20
European Union	Euro	52.96
Japan	100 Yen	37.51
United Kingdom	Pound Sterling	77.15
Malaysia	Ringgit	11.85
China	CNY	5.49
Argentina	ARS	14.40
Brazil	BRL	20.09
Indonesia	1000 IDR	4.80

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

Delivery of 6,000 MT of palm oil is continuing at Tuticorin Port from the vessel 'Spring Glory'. St. John agents is handling the vessel. The port is expecting 'Global Triton' to deliver 7,299 MT of palm oil. Patvolk agents will be handling the vessel.

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

Kandla Port is expecting 'Global Neptune' from Malaysia to deliver 12,250 MT of CPO. Forbes Gokak 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
Mormugao	Global Eos	3500	CPO	Expected
Chennai	Bunga Melati Dua	9000	SFO	Expected
Kolkata	Merkur	13000	SBO	Arrived
	Vernal Grace	6000	CPO	Arrived
Tuticorin	Spring Glory	6000	Palm Oil	Arrived
	Global Triton	7299	Palm Oil	Expected
Kandla	Global Neptune	12250	CPO	Expected

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