

VEGOIL

February 17, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Oil Futures Settle Up
- BMD CPO Futures Settle Marginally Up
- 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 upwards in positive zone, which indicates bullish market sentiments.
2. %K line has just turned upwards after crossing % D line reached in overbought zone, which indicates bullish market sentiments.
3. Prices closed far above 9 days (366.77) and 18 days (361.73) EMA, which indicates bullish market sentiments.

4. Candlestick pattern shows bullish market sentiments.

Market Advice: Buy near 374.50, target near 376.50, put stop loss at 373.50.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Mar '06	369.40	367.60	378.00	381.35

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 Oil Futures Settle Up

Soybean oil futures settled up at Chicago Board of Trade on Thursday. March Soybeans settled up 3.75 cents at \$5.87/bushel, 3 cents off the high and 16 cents up from the low. May Soybeans settled up 3 cents at \$5.99/bushel, which was 16 cents up from the low and 4 off the high. March Soybean meal settled down \$0.1 at \$182.4/ton that was \$3.8 up from the low and \$1.1 off the high. March Soybean Oil settled up 0.23 cents at 22.27 cents/pound, 0.3 cents off the high and 0.51 cents up from the low. Due to the strength in other grains the march soybean get support and settled up in the market. Weather forecast for next 5-6 days seems to be remains dry and might affect the crop yield. Serious concern for spending bird flu in Europe and Middle East leads to less demand of soy meal for poultry and traders have a keen eye on meat consumption and meal consumption news.

CBOT Soy oil futures as 15.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar 06	22.04	22.06	22.57	21.76	22.27	+0.23
May'06	22.43	22.47	22.98	22.15	22.67	+0.24
Jul '06	22.81	22.81	23.22	22.54	23.06	+0.25
Aug'06	22.95	22.95	23.45	22.73	23.18	+0.23
Sep'06	23.08	23.10	23.45	22.88	23.32	+0.24
Oct '06	23.24	23.30	23.50	23.05	23.47	+0.23
Dec'06	23.54	23.53	24.00	23.32	23.72	+0.18

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Settle Down

South American soybean futures settled low on Thursday. March South American soybeans settled 1 cent lower on the day to \$6.33/bushel as compared to previous closing price. Harvesting is going on in Brazil's number one producing state of Mato Grosso, which was delayed due to heavy rain in next week. As harvesting begins to start the exporters are showing little interest, due to strong value of Brazilian currency which is at its 5 year's peak. Farmers are reluctant to sell their produce owing to strong Brazil currency. The improved chances of rain and cooler weather in next week helped to push the prices down. Hefty oil stock data announced by NOPA recently could also be the reason for its downfall. Record high ending stocks forecasts for the US and the world helped to slip down the prices. Serious concern for spending bird flu in Europe and Middle East leads to less demand of soy meal for poultry and traders have a keen eye on meat consumption and meal consumption news. Tough challenge to absorb record harvest of South American crop at a time when world stocks are at its peak would also weaken the market.

BMD CPO Futures Settle Up on Friendly Export figure

Crude palm oil futures at Bursa Malaysia Derivatives settled marginally up on Thursday after a choppy session. The benchmark May CPO contract settled at MYR1489 per metric ton, up MYR1 from previous closing prices after

moving in range of MYR1482-1492/ton. The annual price outlook conference organized by Bursa Malaysia will be held in Kuala Lumpur Feb. 22-24. Market sentiments was positive due to forecast by analysts about the bullish views from above mentioned conference on the accounts of higher demands of bio-diesel. Palm oil prices could not jump sharply due to lack of fresh fundamental news. Malaysian palm oil exports improved in the first half of February. 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 (16.02.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar 06	1475	1478	1478	1470	1477	+2	880
Apr 06	1484	1482	1487	1478	1485	+1	1960
May 06	1488	1485	1492	1482	1489	+1	2568
Jun 06	1490	1486	1492	1485	1492	+2	421
Jul 06	1491	0	0	0	1491	0	0

BMD remains closed on Saturday and Sunday.

GOI: Raises Base Import Prices on Edible Oils

Government of India raised base import prices on edible oil on February 15,2006. Government of India raised 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 went up slightly in most markets. Palm oil prices followed higher soy oil prices on spot markets only because both are traditional rival of each other. GOI raised 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 \$ 407.50 per tonnes.

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

Centres	16.02.06	15.02.06	Change
Kandla CPO (5 % FFA)	348	343	+5
Kandla RBD Palmolein	363	360	+3
Mumbai RBD Palmolein	372	370	+2
Chennai RBD Palmolein	378	376	+2
Kakinada RBD Palmolein	363	360	+3
Hyderabad RBD Palmolein	378	377	+1

Soy oil

Today soybean oil prices on domestic spot markets went up sharply in most markets due to raised base import prices on soybean oil. NCDEX and NBOT March contract soy oil prices settled higher as compared to previous closing prices. Improvement in Vayda Bazaar brought positive impact on spot markets. Today's arrivals of soybean were 85000-900000 bags (1 bags=85 Kg) in major markets of India. Arrivals in Kota Mandi were 2500 bags only. Today soybeans prices on spot market were quoted in range of Rs 1150-60/qrtl in Kota mandi. Soy oil prices are expected to improve further due to raised 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 335 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 515 per tonne.

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

Centres	16.02.06	15.02.06	Change
Mumbai (Soy Ref oil)+VAT	360	354	+6
Indore (Soy Ref oil)	361	359	+2
Indore (Solvent Ex. Oil)+VAT	338	336	+2
Kota (Soy Ref. Oil)	372	370	+2
Jaipur (Soy Ref. Oil)	375	374	+1
Chennai (Soy Ref Oil)	370	368	+2
Hyderabad (Soy Ref)	366	363	+3
Rajkot (Soy Ref)+Tax	350	345	+5

Rape/Mustard oil

Today mustard oil prices on spot markets were steady in most markets. Today mustard seeds prices on spot markets were quoted in range of Rs 1460-1510 and Rs 1720 in Kota and Jaipur mandi respectively. Arrivals of mustard seeds were 8,000 bags and 25,00 bags in Kota and Jaipur mandi respectively. Mustard seeds February futures prices settled unchanged today at Rs 330, 342.5 and Rs 348 per 20 kg on Bikaner, Delhi and Hapur exchange respectively. Harvesting of new mustard crop is started in Kota and Neemuch region, mustard oil prices should decline due to harvesting of new mustard crop, in spite that prices are stable only due to higher prices of soy oil on spot as well as future markets. Mustard oil prices are expected to move range bound in near term.

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

Centres	16.02.06	15.02.06	Change
Mumbai (Rape Expeller Oil)	374	374	0
Kota (Rape Expeller Oil)	365	365	0
Jaipur (Rape Expeller Oil)	370	370	0
Delhi (Rape Expeller Oil)	392	390	+2
Neewai (Kachchi Ghani Rape Oil)	384	386	-2

Groundnut Refine Oil

Today groundnut oil prices on spot market were likely steady in the most markets. 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	16.02.06	15.02.06	Change
Mumbai	436	436	0
Rajkot	440	437	+3
Andhra Region	440	440	0
Chennai	440	440	0

Sunflower Refine Oil

Sunflower oil prices on physical markets improved slightly in most markets due to surge in soy oil prices on spot markets. CIF prices for sunflowers (February Shipment) at Kandla port were quoted at \$ 551 per tonnes; it is increased 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	16.02.06	15.02.06	Change
Mumbai +Vat	405	403	+2
Chennai	430	430	0
Hyderabad	425	418	+7

Cotton Refine Oil

Today cotton oil prices on domestic spot market surged higher in most markets. Cotton oil prices followed the soy oil prices. Higher 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	16.02.06	15.02.06	Change
Mumbai	368	364	+4
Hyderabad	366	362	+4
Rajkot	353	350	+3

NBOT Soy oil futures as on 16.02.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Mar '06	370.00	370.20	377.00	369.30	375.40	+5.40	52700
Apr '06	372.80	372.50	378.90	372.10	377.70	+4.90	3170

NCDEX Soy Oil Futures Settle Higher Sharply

Soy oil futures prices settled higher sharply at NCDEX on Thursday due to raised base import prices on edible oil on Feb 15, 2006. NCDEX March soy oil contract prices settled higher Rs 4.65 at Rs 374.70/10 Kg, it was Rs 2.30 off the high and Rs 5.40 up from the low after moving in between of Rs 369.30 to Rs 377.00. Soy oil prices are expected to move range bound with positive sentiments in near term.

NCDEX Soy oil futures as on 16.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	361.35	362.95	368.00	361.00	364.60	3470	3300
Mar'06	370.05	370.85	377.00	369.30	374.70	22410	21630

PORT-WATCH (Latest):

Edible Oil

Kandla Port is receiving 7,000 MT of CPO from the vessel 'Golden Crane'. The cargo was loaded from Malaysia. Atlantic 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'. 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.

Kakkanada Port is expecting 'Isokaze' to discharge 7,000 MT of SBO.

'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
	Spring Wind	7294	CPO	Arrived
Tuticorin	MMM Houston	6000	Palm Oil	Expected
Kandla	Golden Crane	7000	CPO	Arrived
Kakinada	Isokaze	7000	SBO	Expected
	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 16.02.2006)

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.30
European Union	Euro	52.66
Japan	100 Yen	37.62
United Kingdom	Pound Sterling	77.05
Malaysia	Ringgit	11.92
China	CNY	5.51
Argentina	ARS	14.44
Brazil	BRL	20.80
Indonesia	1000 IDR	4.80

LATEST WEATHER WATCH (16.02.2006)

Forecast valid for next 72 hours

NORTH 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 Uttaranchal. Isolated rain/thundershowers also likely over the rest region during next 24 hours.

EAST INDIA

Isolated rain/thundershowers is likely over Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region.

NORTHEAST INDIA

Rain/thundershowers are likely over at a few places over Assam and Arunachal Pradesh and isolated 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

Weather will be mainly dry over the 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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