

VEGOIL

February 03, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Low
- 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 moving northwards, which is negating bearish market sentiments.
2. %K line has just turned slightly upwards below % D line in neutral zone, which indicates slightly bullish market sentiments.
3. Prices close above 9 days (346.63) and 18 days EMA (346.41), which indicates bullish market sentiments.
4. Candlestick pattern shows bullish trends.

All technical indicators indicates the bullish sentiments

Market Advice: Buy near 347.00, target near 348.50 and put stop loss at 346.40.

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX Feb '06	344.90	343.90	349.30	350.00

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 Low

Soy future settled low at Chicago Boards of Trades on Wednesday. March Soybeans settle down 14.75 cent at \$5.7950, 15 cents off the high and 0.50 cents up from the low. May Soybeans settled down 14.50 cents at \$5.9225. This was 0.75 cents up from the low and 14 cents off the high. March Soybean meal closed down \$3.8 at \$181.2/ton that was \$0.6 up from the low and \$2.1 off the high. March Soybean Oil finished down 0.53 cents at 21.82 cents/pound, 0.6 cents off the high and 0.02 cents up from the low. Weather forecast for rain in Argentina helped to pull down the market further. Good rains after a long dry spell could be seen more favourable for the crop with better performance and high yield as expected by agronomist in Argentina. Speculative selling pressure could be the other reason to pull down the market. US export sales report showed lower soybean sales near 400,000-600,000 tonnes as compared with 521,900 tonnes in previous week. Meal sales are expected near 75,000-150,000 tonnes with oil sales near 0-10,000 tonnes.

CBOT Soy oil futures as 01.02.2006 (Cents/pound)

Months	Prev. Settle	Open	High	Low	Close	Change
Mar 06	22.35	22.05	22.42	21.80	21.82	-0.53
May'06	22.79	22.50	22.77	22.23	22.25	-0.54
Jul '06	23.20	22.95	23.20	22.60	22.65	-0.55
Aug'06	23.30	23.05	23.05	22.78	22.78	-0.52
Sep'06	23.45	23.03	23.03	22.92	22.92	-0.53
Oct '06	23.60	23.45	23.50	23.12	23.12	-0.48
Dec'06	24.19	23.80	23.90	23.43	23.43	-0.76

CBOT remains closed on Saturday and Sunday.

South American soybean Futures Settle Low

South American soybeans future settled low on Wednesday. March South American soybeans settled 5 cents lower to \$624/bushel as compared to previous closing price. The market was lowered by 5-10 cents on the opening and came down from \$615 to \$597 level due to lack of much support in the market. A more normal weather forecast for Argentina and southern Brazil could lead to increased selling from South American producers, US producers and speculators with a view of hefty stock situation. Scattered rains are expected in Argentina in coming days due to the weakening of high pressure ridge over the Argentina, which prevent rainfall in the region. Cash markets at Paranagua, Brazil have shown some weakness recently that might be the other reason for slower growth. The fundamentals in the South American market remained weak for expectation of bumper harvest until there is any news for crop damage by recent stress condition, which remained the driving force to pull the market down.

BMD closed from Jan 31 to Feb 2, 2006

BMD: CPO Futures (27.01.2006)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Feb 06	1426	1427	1430	1425	1425	-1	463
Mar 06	1432	1435	1437	1435	1436	+4	307
Apr 06	1439	1442	1445	1441	1443	+4	1287
May 06	1443	1446	1449	1446	1448	+5	420
Jun 06	1446	1449	1452	1449	1451	+5	85

BMD remains closed on Saturday and Sunday.

GOI: Revises Low Base Import Prices on Edible Oils

Government of India has revised base import prices on edible oil on January 31, 2006. Government of India revised lower base import prices on Crude Soybean Oil at \$ 484/ton (-8) from \$ 492/ton, Crude Palm Oil at \$ 412/ton (-3) from \$ 415/ton, RBD Palm Oil at \$ 427/ton (-3) from \$ 430/ton, Other Palm Oil to \$ 420/ton (-3) from \$ 423/ton, Crude Palmolein at \$ 434/ton (-3) from \$ 437/ton, RBD Palmolein at \$ 437/ton (-3) from \$ 440/ton, and Other Palmolein at \$ 436/ton (-3) from \$ 439/ton. Here revising 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	484	492	-8
CPO	412	415	-3
RBD Palm Oil	427	430	-3
Other Palm Oil	420	423	-3
Crude Palm Olein	434	437	-3
RBD Palm Olein	437	440	-3
Other Palm Olein	436	439	-3

The revised value is effective from today i.e., 31st Jan, 06.

Source: PIB

Palm Oil

Today palm oil prices on spot markets were likely unchanged in most of the markets amidst low demands at retail ends. More import of palm oil is expected due to revised low base import prices, it may be one factor to decline its prices slightly on spot markets in coming days. On the other hand, there was rumour that GOI is planning to impose a Tariff Rate Quota (TRQ) on soybean oil to restrict soybean oil import, it may bring positive impact on palm oil prices only because both are traditional rival of each other. Palm oil prices are expected to move range bound in near term.

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

Centres	02.02.06	01.02.06	Change
Kandla CPO (5 % FFA)	334	335	-1
Kandla RBD Palmolein	353	353	0
Mumbai RBD Palmolein	357	358	+1
Chennai RBD Palmolein	373	373	0
Kakinada RBD Palmolein	350	350	0
Hyderabad RBD Palmolein	360	360	0

Soy oil

Today soybean oil prices at physical markets were range bound with weak sentiments in most of the markets. NCDEX February soy oil future prices opened weak and suddenly jumped its prices around 11.50 am due to strong rumour in the markets is that imposition of the Tariff Rate Quota (TRQ) by GOI on soybean oil to restricts soybean oil import. Prices are declined gradually from peak only because no confirmation of this news. Today's arrivals of soybean were in range of 1.10 lakh to 1.30 lakh bags (1 bags=85 Kg) in major markets of India. Soybean seeds were quoted Rs 1115-25 per quintal on spot markets in Kota mandi. Soy oil prices are expected to move range bound with weak sentiments.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 321 per 10 kg. CNF prices for soy degum (February Shipment) at Kandla were quoted at \$ 490 per tonne.

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

Centres	02.02.06	01.02.06	Change
Mumbai (Soy Ref oil)+VAT	338	339	-1
Indore (Soy Ref oil)	341	343	-2
Indore (Solvent Ex. Oil)+VAT	317	319	-1
Kota (Soy Ref. Oil)	352	352	0
Jaipur (Soy Ref. Oil)	355	355	0
Chennai (Soy Ref Oil)	358	356	+2
Hyderabad (Soy Ref)	360	360	0
Rajkot (Soy Ref)+Tax	334	334	0

Rape/Mustard oil

Today mustard oil prices on spot markets were range bound with weak sentiments amidst low demand at retail ends due to arrivals of new mustards crop in Kota region. Mustard seed prices in physical market were quoted in range of Rs 1450-1500 for new mustard crop and Rs 1550 for old mustard seeds in Kota. Low prices of new mustard crop are only due to more moisture contents. Mustard seed traded at Rs 1705-1720 per quintal in Kota and Jaipur respectively. Arrivals of mustard seeds were 1500-1600 bags and 1000-1200 bags in Kota and Jaipur respectively. The arrivals of new crop of mustard seeds were about 700-800 bags out of 1500-1600 bags in Kota mandi, it means arrivals of new mustard crop is about 50% in Kota mandi. Mustard oil prices are expected to move range bound with weak sentiments due to harvesting pressure in coming days.

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

Centres	02.02.06	01.02.06	Change
Mumbai (Rape Expeller Oil)	367	372	-5
Kota (Rape Expeller Oil)	360	360	0
Jaipur (Rape Expeller Oil)	365	364	+1
Delhi (Rape Expeller Oil)	380	382	-2
Neewai (Kachchi Ghani Rape Oil)	379	379	0

Groundnut Refine Oil

Today groundnut oil prices at spot market lacklustre in most of the markets amidst low demands at retail ends. Harvesting pressure of groundnut in Andhra Pradesh

brought negative impact on its prices in different markets of India. Groundnut prices were quoted Rs331/20 kg in Rajkot mandi today. Arrivals of groundnut seeds in Gujarat were about 45000-50000 bags (1bags=35 Kg). According to local traders of Gujarat mandi that there are low demands at retail ends because Gujarati people having good stock of GN oil in month of December. This is a tradition of Gujarat. GN oil prices are expected to move range bound with weak sentiments in near term.

Groundnut Oil Spot Market Price (Rs. Per 10 kg)

Centres	02.02.06	01.02.06	Change
Mumbai	430	430	0
Rajkot	438	440	-2
Andhra Region	433	433	0
Chennai	435	435	0

Sunflower Refine Oil

Sunflower oil prices were monotonous in most of the markets. CIF prices for Sunflowers (February Shipment) at Kandla port were quoted at \$ 541 per tonnes, it declined to Rs \$2 per ton as compared to previous trading day. There was no fresh fundamental news for increase or decrease its prices. Sunflower oil prices are expected to move range bound with weak sentiments in coming days.

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

Markets	02.02.06	01.02.06	Change
Mumbai +Vat	395	395	0
Chennai	430	430	0
Hyderabad	415	415	0

Cotton Refine Oil

Today Cotton oil prices were showed sluggish trends in most of the markets amidst low demands at retail ends and harvesting pressure of cotton crop in major producing states. Prices are expected to move range bound in near term.

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

Markets	02.02.06	01.02.06	Change
Mumbai	343	344	-1
Hyderabad	343	345	-2
Rajkot	341	341	0

NBOT Soy oil futures as on 02.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Change	Volume
Feb '06	344.80	343.80	347.40	343.70	345.60	+0.80	26800
Mar '06	348.60	348.00	351.90	347.90	350.40	+1.80	16450

NCDEX Soy Oil Futures Settle Up

Soy oil future prices settled up at NCDEX on Thursday. NCDEX February soy oil prices settled up Rs 1.20 at Rs 347.30 per 10 Kg, it was Rs 1.70 off the high and Rs 2.55 up from the low. February soy oil prices were moved in range of Rs 344.75 to Rs 349.00. NCDEX February soy oil future prices opened weak and suddenly jumped its prices around 11.50 am due to strong rumour in the markets is

that imposition of the Tariff Rate Quota (TRQ) by GOI on soybean oil to restricts soybean oil import. Soy oil prices are expected to move range bound with positive sentiments in near term.

NCDEX Soy oil futures as on 02.02.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Feb'06	346.10	345.20	349.00	344.75	347.30	7050	17570
Mar'06	349.15	348.70	352.00	347.95	351.20	8020	15260

LATEST WEATHER WATCH (02.02.2006)

Forecast valid for next 72 hours

NORTH: Weather will be mainly dry over the region.

EAST: **Isolated** rain/thundershowers likely over Arunachal Pradesh, Assam and Sub-Himalayan West Bengal & Sikkim on 4th and 5th. Weather will be mainly dry over the rest region.

SOUTH: **Isolated light** rain/thundershowers likely over south Tamil Nadu on 4th and 5th. Weather will be **mainly dry** over the rest region.

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

Source: IMD, GOI

PORT-WATCH (Latest):

Edible Oil

Delivery of 5,300 MT of SBO is continuing at Kandla Port from the vessel 'Chemstar Princess'. The cargo was loaded from Brazil. Interocean agents is handling the vessel. 'Gemini' from Indonesia has berthed at Kandla Port and continues to deliver 6,000 MT of CPO. Seaport agents is handling the vessel. 'Nogogini' from Indonesia is expected at Kandla Port to deliver 4,000 MT of CPO. The vessel will be handled by JM Baxi agents.

Delivery of 3,005 MT of palm oil is continuing at Chennai Port from the vessel 'MMM Houston'. Seaport agents is handling the vessel. Chennai Port is expecting 'MMM Jackson' to deliver 4,000 MT of palm oil. The vessel will be handled by Seaport agents. 'Global Triton' is expected at the port to discharge 4,000 MT of palm oil. Patvolk agents will be handling the vessel.

'Feng Sheng You' has berthed at Kolkata Port and continues to deliver 5,000 MT of CPO. GAC agents is handling the vessel. The port is receiving 5,800 MT of CPO from the vessel 'Global Pallas'. Seaport agents is handling the vessel. 'Merkur' is expected at Kolkata Port to deliver 13,000 MT of SBO.

Kakkinada Port is receiving 3,000 MT of CPO from the vessel 'Ace I'. 'Filma Satu' is expected at the port to deliver 6,000 MT of CPO.

Mumbai Port is receiving 8,000 MT of CPO from the vessel 'Nogogini'. The cargo was loaded from Indonesia. JM Baxi agents is handling the vessel.

Mundra Port is expecting 'Rising One' to load 3,000 MT of SBO. Atlantic 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.

'Rising One' is expected at Cochin Port to discharge 3,000 MT of SBO. Atlantic agents is handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Gemini	6000	CPO	Arrived
	Nogogini	4000	CPO	Expected
	Chemstar Princess	5300	SBO	Arrived
Mumbai	Nogogini	8000	CPO	Arrived
Mundra Port	Rising One	3000	SBO	Expected
	Champion Vincita	26000	SBO	Expected
Chennai	MMM Houston	3005	Palm Oil	Arrived
	MMM Jackson	4000	Palm Oil	Expected
	Global Triton	4000	Palm Oil	Expected
Marmugao	Global Neptune	3478	Palm Oil	Arrived
Kolkata	Merkur	13000	SBO	Expected
	Global Pallas	5800	CPO	Arrived
	Feng Sheng U	5000	CPO	Arrived
Kakkinada	Ace I	3000	CPO	Arrived
	Filma Satu	6000	CPO	Expected
Cochin	Rising One	3000	SBO	Expected

Forex Rates

(As on 02.02.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.31
European Union	Euro	53.37
Japan	100 Yen	37.39
United Kingdom	Pound Sterling	78.48
Malaysia	Ringgit	11.79
China	CNY	5.49
Argentina	ARS	14.42
Brazil	BRL	19.94
Indonesia	1000 IDR	4.75

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.