

VEGOIL

April 20, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Spurt Higher
- BMD CPO Futures Ends Up On Crude Oil Rise
- NCDEX May Contract Soy Oil Futures Ends Down

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX May Contract

Technical Analysis for May Contract:

1. The MACD has turned downwards, which indicates medium term slightly bearish market sentiments.
2. % K line is moving downwards steeply after crossing % D line from up, which indicates bearish market sentiments.
3. Prices closed just above 9 days EMA (402.22) and far above 18 days EMA (397.47), which indicates mildly bullish market.

4. Candlestick pattern shows bearish market sentiments.

Market Advice: Market is expected to move range bound with weak sentiments. Sell near 403.60, targets near 401.20 and put stop loss at 404.85.

Resistance & Support Levels (Most Active Contract)

| Contract | Supp 1 | Supp 2 | Res 1 | Res 2 |
|---------------|--------|--------|--------|--------|
| NCDEX May '06 | 401.10 | 399.80 | 404.90 | 406.10 |

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 Rally Up

May Soybeans settled up 4 cent at \$5.755/bushel, 2 cent off the high and 7 cent up from the low. November Soybeans settled up 5.25 cent at \$6.0975 was 7.75 cent up from the low and 1 3/4 off the high. May Soymeal settled up \$0.2 at \$177.7/ton, which was \$0.7 up from the low and \$0.8 off the high. May Soybean Oil closed up 0.55 cent at 23.25 cent/pound, 0.1 cent off the high and 0.53 cent up from the low. Market initially decline on the idea of yesterday high but bounce in the wheat prices supported the market later on. Ambiguities continue over the issue of wet weather in certain region. Exports continue with slow pace but expected to recover soon. Strong Brazilian currency helped the US to boost exports. Producers selling is picking fast in the Brazil as the Brazil harvest is near 70% complete.

CBOT Soy oil futures as 18.04.2006 (Cents/pound)

| Months | PCP | Open | High | Low | Close | Change |
|---------|-------|-------|-------|-------|-------|--------|
| May'06 | 22.70 | 22.75 | 23.35 | 22.69 | 23.25 | +0.55 |
| Jul '06 | 23.13 | 23.17 | 23.78 | 23.11 | 23.71 | +0.58 |
| Aug'06 | 23.34 | 23.34 | 23.97 | 23.40 | 23.91 | +0.57 |
| Sep'06 | 23.53 | 23.60 | 24.10 | 23.58 | 24.09 | +0.56 |

CBOT remains closed on Saturday and Sunday.

BMD CPO Futures Settle on Crude Oil Rise

Crude palm oil futures at Bursa Malaysia Derivatives settled higher on Wednesday. A sharp rise in crude oil and higher futures prices of soy oil on CBOT provided support to CPO futures. After sharp rise in crude oil (above \$70 a barrel), traders hopes the demands for bio diesel from palm oil may increase. The benchmark July CPO ended at MYR1,471 a metric ton, up MYR3 from Tuesday after moving between MYR1,468 and MYR1,476/ton. Cargo surveyors SGS (Malaysia) Bhd and Intertek Agri Services are due to issue estimates on Thursday for Malaysian palm oil exports in the first 20 days of April. Traders expectations was for April 1-20 exports of around 720,000 tons, up only marginally from the 708,000-718,000 tons reported in the March 1-20 period. A stronger Ringgit is unfavourable for the Malaysian palm oil industry, as it reduces export revenues from the sale of the commodity.

BMD: CPO Futures (19.04.2006) (Ringgit/ton)

| Months | Previous | Open | High | Low | Close | Change | Volume |
|--------|----------|------|------|------|-------|--------|--------|
| Apr 06 | 1430 | 1435 | 1436 | 1430 | 1436 | +6 | 717 |
| May 06 | 1454 | 1461 | 1461 | 1454 | 1459 | +5 | 1054 |
| Jun 06 | 1468 | 1476 | 1476 | 1468 | 1471 | +3 | 3011 |
| Jul 06 | 1474 | 1481 | 1483 | 1475 | 1479 | +5 | 585 |
| Aug 06 | 1476 | 1480 | 1484 | 1476 | 1482 | +6 | 283 |

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets were steady to weak sentiments in most markets amid lower demand at retail ends. Reduction by \$10 MT in base import prices on palm oil brought negative impact on its prices. Palm oil prices dampened with soy oil prices. Palm oil prices are expected to move range bound with weak sentiments in near term.

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

| Centres | 19.04.06 | 18.04.06 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA) | 363 | 363 | 0 |
| Kandla RBD Palmolein +VAT | 380 | 380 | 0 |
| Mumbai RBD Palmolein +VAT | 377 | 380 | -3 |
| Chennai RBD Palmolein +VAT | 392 | 393 | -1 |
| Kakinada RBD Palmolein +VAT | 372 | 374 | -2 |
| Hyderabad RBD Palmolein +VAT | 390 | 395 | -5 |

Refined Soy oil

Soybean oil prices on domestic spot markets went down slightly amid weak sentiments and lower demands at retail ends on Wednesday. NCDEX May refined soy oil contract settled down as compared to previous closing prices. Cuts in base import prices on crude soy oil import and harvesting pressure of mustard seeds brought negative impact on its prices. Arrivals of soybeans were remains about 50,000 to 52,000 bags (bag=85 Kg) in major markets. Today refined soy oil prices were quoted Rs 380, Rs 382, Rs 382 and Rs 385 per 10 kg in Mumbai, Indore, Rajkot and Jaipur respectively. CIF soy (April Shipment) at Kandla quoted at \$ 504 per tonnes. Prices are expected to move range bound with weak sentiments in near terms.

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

| Centres | 19.04.06 | 18.04.06 | Change |
|------------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 380 | 381 | -1 |
| Indore (Soy Ref oil)+VAT | 382 | 385 | -3 |
| Indore (Solvent Ex. Oil)+VAT | 358 | 358 | 0 |
| Kota (Soy Ref. Oil)+VAT | 382 | 385 | -3 |
| Jaipur (Soy Ref. Oil)+VAT | 385 | 388 | -3 |
| Hyderabad (Soy Ref)+VAT | 384 | 384 | 0 |
| Chennai +VAT | 388 | 390 | -2 |
| Rajkot +VAT | 375 | 377 | -2 |

Rape/Mustard Oil

Mustard oil prices on domestic spot markets moved down in most markets amidst weak market sentiments on harvesting pressure. Today's arrivals were remain about 5000-6000 bags in Neewai mandi, 8000 bags in Kota and 25000 bags in Jaipur mandi. Arrivals in Rajasthan were about 3.5 lakh bags in Rajasthan and 80,000-1,00,000 bags in Madhya Pradesh and about 5 lakh bags in India (bags= 85 kg). Mustard seeds prices were quoted Rs 1480-1510 in Kota and 1625-30 in Jaipur mandi. Mustard oil prices are expected to decline further on account of harvesting pressure amid favourable weather.

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

| Centres | 19.04.06 | 18.04.06 | Change |
|---------------------------------|----------|----------|--------|
| Mumbai (Rape Expeller Oil) | 376 | 379 | -3 |
| Kota (Rape Expeller Oil)+VAT | 356 | 360 | -4 |
| Jaipur (Rape Expeller Oil)+VAT | 359 | 363 | -4 |
| Delhi (Rape Expeller Oil) | 385 | 388 | -3 |
| Neewai (Kachchi Ghani Rape Oil) | 366 | 371 | -5 |

Groundnut Refine Oil

Today groundnut oil prices on domestic spot markets were showed witnessed weak sentiments amid lower demands at retail ends. Prices improved slightly in Chennai and Hyderabad due to cloudy weather. Prices declined in Mumbai and Rajkot due to lower demand at retail ends and weak market sentiments. Today's arrivals of groundnut seeds were about 35,000-40,000 bags (bags=35 kg). Groundnut seeds were quoted Rs348 per 20 kg in Rajkot mandi, down Rs 2 as compared to previous trading day. 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 | 19.04.06 | 18.04.06 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT | 475 | 477 | -2 |
| Rajkot +VAT | 465 | 467 | -2 |
| Andhra Region +VAT | 480 | 477 | +3 |
| Chennai +VAT | 455 | 445 | +10 |
| Delhi | 490 | 490 | 0 |

Sunflower Refine Oil

Sunflower oil prices on physical markets were steady in most markets. CIF prices for sunflowers (April Shipment) at Kandla port were quoted to \$ 635 per tonnes. There were no fresh fundamentals to increase or decrease its prices. Sunflower oil prices are expected to move range bound in near term.

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

| Markets | 19.04.06 | 18.04.06 | Change |
|-------------|----------|----------|--------|
| Mumbai +Vat | 435 | 435 | 0 |
| Chennai | 450 | 450 | 0 |
| Hyderabad | 438 | 438 | 0 |

Cotton Refine Oil

Today cotton oil prices on spot markets revealed mixed sentiments amid lower demands at retail ends in most markets. Weak future markets also added bearish tone in the markets. Cotton oil prices are expected to move range bound with weak sentiments in near term.

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

| Markets | 19.04.06 | 18.04.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 388 | 395 | -7 |
| Hyderabad +VAT | 387 | 385 | +2 |
| Rajkot + VAT | 382 | 384 | -2 |
| Delhi | 388 | 388 | 0 |

NBOT Soy oil futures as on 19.04.2006 (Rs/10 kg)

| Months | PCP | Open Price | High Price | Low Price | Close Price | Change | Volume |
|--------|--------|------------|------------|-----------|-------------|--------|--------|
| May'06 | 405.50 | 404.80 | 404.80 | 402.00 | 402.60 | -2.90 | 32580 |
| Jun'06 | 409.80 | 0.00 | 406.90 | 0.00 | 406.90 | -2.90 | 0 |

NCDEX Soy Oil Futures Settle Down

May NCDEX Refined soy oil contract prices settled down on Wednesday. Cuts the base import prices on crude soy oil imports and March import of edible oil increased by 17% as compared to March 2005 brought negative impact on its prices. Soy oil futures prices ends down Rs 3.45 at Rs 402.30/10 Kg, Rs 2.70 off the high and Rs 0.30 up from the low. The prices moved in a range of Rs 402.00 - 405.00. Soy oil prices are expected to move range bound with weak sentiments due to cuts in tariff value and hefty stock of soy oil.

NCDEX Soy oil futures as on 19.04.2006 (Rs/10 kg)

| Months | Previous Closing | Open Price | High Price | Low Price | Close Price | Volume | Open Interest |
|---------|------------------|------------|------------|-----------|-------------|--------|---------------|
| Apr'06 | 397.75 | 397.80 | 397.80 | 392.40 | 393.95 | 570 | 5610 |
| May'06 | 405.75 | 405.00 | 405.00 | 402.00 | 402.30 | 12260 | 32590 |
| June'06 | 410.90 | 410.00 | 410.00 | 406.00 | 406.45 | 6340 | 17730 |

Forex Rates (As on 19.04.2006)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------------|-----------------|
| USA | Dollar | 45.14 |
| European Union | Euro | 55.78 |
| Japan | 100 Yen | 38.60 |
| United Kingdom | Pound Sterling | 80.46 |
| Malaysia | Ringgit (MYR) | 12.31 |

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

'West Gold' from Indonesia has berthed at Kandla Port and continues to deliver 7,000 MT of CPO. Atlantic agents is handling the vessel. Delivery of 6,200 MT of CPO is continuing at Kandla Port from the vessel 'Olympic'. The cargo was loaded from Indonesia. Forbes Gokak agents is handling the vessel. The port is expecting 'Jo Selje' from Argentina to deliver 12,750 MT of SBO. The vessel will be handled by Interoccean agents.

'Hua Yun 4' has berthed at Kolkata Port and continues to deliver 6,426 MT of CPO. Delivery of 6,499 MT of palm oil is continuing at the port from the vessel 'Pacific Sound'. The port is receiving 7,796 MT of CPO from the vessel 'Sima Kaze'. Seaport agents is handling these vessels. 'Khadijah' has berthed at the port and continues to discharge 5,000 MT of CPO. Alap agents is handling the vessel.

Chennai Port is receiving 5,900 MT of palm oil from the vessel 'Tirta Niaga'. Interoccean agents is handling the vessel. The port is expecting 'Spring Wind' to deliver 3,000 MT of palm oil. Seaport agents will be handling the vessel.

'Nora' has berthed at Mundra Port and continues to discharge 11,405 MT of SBO. Interocean agents is handling the vessel. The port is expecting 'New Merry Ocean' to deliver 10,850 MT of SBO. Taurus agents will be handling the vessel.

'Ace I' is expected at Kakkinada Port to deliver 6,000 MT of CPO. Delivery of 11,000 MT of CPO was completed at Kakkiada Port from the vessel 'Pacific Sound' and sailed off. The port is expecting 'Thressa II', 'Spring Wind' 'Chelesa' to deliver 12,000 MT of CPO, 4,000 MT of CPO and 21,000 MT of SBO respectively.

JN Port is expecting 'Jo Selje' from Argentina to deliver 11,000 MT of SBO. Interocean agents will be handling the vessel.

Current Vessels Positions

| Ports | Vessels | Volume (Ton) | Carrying | Status |
|----------|-----------------|--------------|----------|----------|
| Kolkata | Hua Yun 4 | 6426 | CPO | Arrived |
| | Pacific Sound' | 6499 | Palm Oil | Arrived |
| | Sima Kaze | 7796 | CPO | Arrived |
| | Khadijah | 5000 | CPO | Arrived |
| Chennai | Tirta Niaga | 5900 | Palm Oil | Arrived |
| | Spring Wind | 3000 | Palm Oil | Expected |
| Kakinada | Pacific Sound | 11000 | CPO | Arrived |
| | Ace 1 | 6000 | CPO | Expected |
| | Thressa II | 12000 | CPO | Expected |
| | Spring Wind | 4000 | CPO | Expected |
| | Chelesa | 21000 | SBO | Expected |
| Kandla | Jo Selje | 12750 | SBO | Expected |
| | Olympic | 6200 | CPO | Arrived |
| | West Gold | 7000 | CPO | Arrived |
| Mundra | Nora | 11405. | SBO | Arrived |
| | New Merry Ocean | 10850 | SBO | Expected |
| JN Port | Jo Selje | 11000 | SBO | Expected |

Weather Forecast

Chief Features

Bihar, East Uttar Pradesh, Orissa, Jharkhand, West Bengal & Sikkim and northeastern States have experienced rain/thundershowers at many places during past 24 hours. This activity is likely to decrease from today onwards except over northeastern States and Sub-Himalayan West Bengal & Sikkim where it is likely to continue for next 24 hrs. and decrease thereafter.

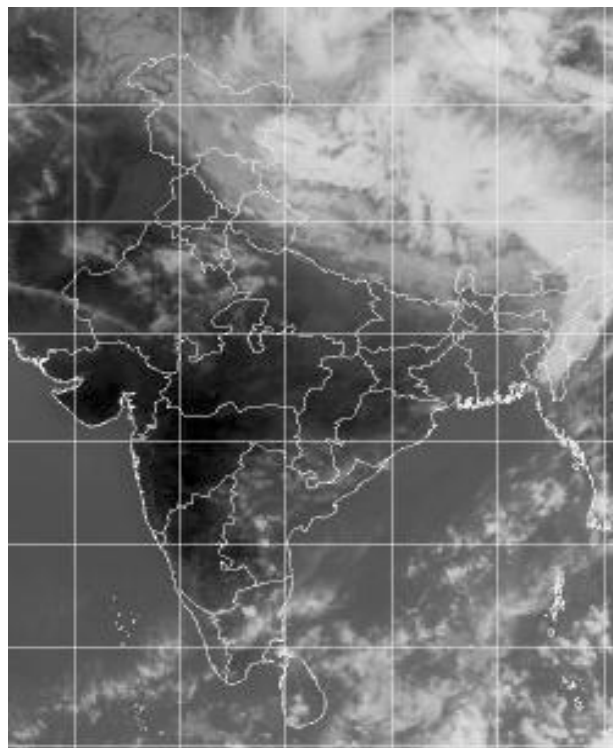
Day temperatures continue to be 6-8 deg. C below normal over Gangetic plains, central & east India and over northeastern States.

A general increase in day temperatures is likely over the country during next 3-4 days.

West India: (Goa, Maharashtra, Other than Vidarbha, Gujarat, Rajastahn)

Weather will be mainly dry over the region. However, isolated duststorm/thunderstorm may occur over north Rajasthan during next 24 hrs. The day temperatures over the region are 2-4 deg. C below normal which are likely to increase.

Satellite Images



Source: IMD

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