

VEGOIL

April 2, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Oil Futures Settle Down
- NCDEX April Contract Soy Oil Prices Ends Down
- GOI: Cuts Base Import Prices on Edible Oil

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX April Contract

Technical Analysis for April Contract:

1. The MACD continued to move downwards and reached in negative zone, which indicates bearish sentiments.
2. %K line has just turned up flatly below % D line in oversold region, which indicates trend reversals.
3. Prices closed below 9 days and 18 days EMA (376.54) and (377.41), which indicates bearish market.

Market Advice: Market is expected to move range bound with weak sentiments. Buy near 373.60 targets near 375.50 and stop loss at 372.60.

Resistance & Support Levels (Most Active Contract)

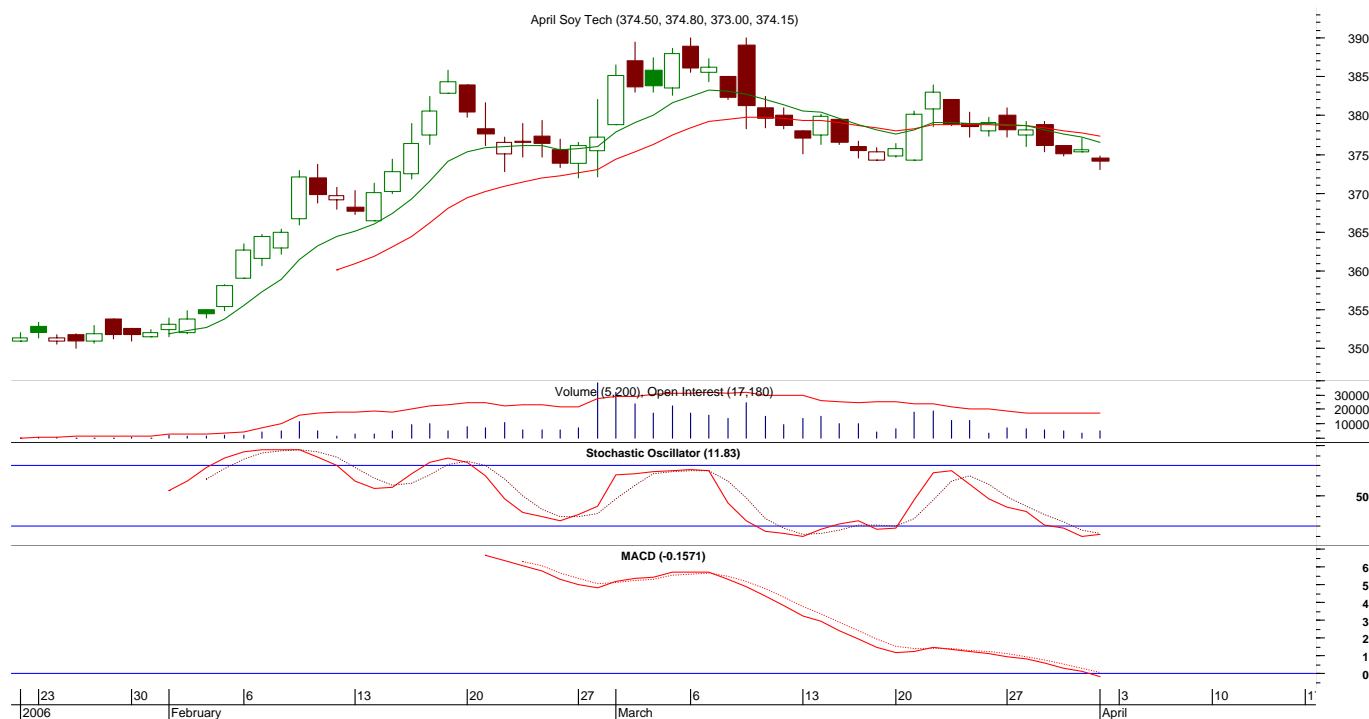
Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX April '06	373.10	372.10	375.70	377.30

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 Down

May Soybeans settled down 16.25 cents at \$5.715, 16.50 cents off the high and 0.75 cents up from the low. November Soybeans settled down 12.75 cents at \$6.0275, which was 1.75 cent up from the low and 12.75 cent off the high. May Soybean Oil settled down 0.38 cents at \$22.79, 0.46 cents off the high and 0.04 cents up from the low. Strong bearish news from soybean market combined with the news of dropping of corn acreage results into sharp decline of prices into the market. USDA projected soybean plantings at 76.89 million acres, which is well above the average trade estimate of 74.21 million acres (range 73-75.4), while previous year planting remain at 72.1 million acres. March 1st stock were projected at 1.669 billion bushels as compared to 1.381 billion last year. Forecast of rain in Midwest during next few weeks and favourable weather for harvest in South America had a bearish impact on the sentiments. The increase in area may results into the jump in the world ending stocks near 800 million bushels which is much high as compared to the record high 565 million bushels last year. The stocks/usage would come in near 28.2% as compared to 20.3% this season. This would be the highest since 1985/86 and the second highest in history.

CBOT Soy oil futures as 31.03.2006 (Cents/pound)

Months	PCP	Open	High	Low	Close	Change
May'06	23.17	22.95	23.25	22.75	22.79	-0.38
Jul '06	23.57	23.41	23.69	23.25	23.27	-0.30
Aug'06	23.73	23.65	23.73	23.45	23.50	-0.23
Sep'06	23.89	23.90	23.92	23.65	23.73	-0.16
Oct '06	24.17	24.05	24.10	23.90	23.90	-0.27
Dec'06	24.41	24.30	24.55	24.16	24.21	-0.20
Jan'07	24.59	24.55	24.60	24.40	24.40	-0.19

CBOT remains closed on Saturday and Sunday.

BMD Remains Closed on Saturday and Sunday

BMD: CPO Futures (31.03.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr 06	1389	1392	1392	1386	1388	-1	379
May 06	1417	1421	1422	1412	1420	+3	877
Jun 06	1434	1438	1439	1430	1437	+3	2055
Jul 06	1447	1451	1452	1443	1448	+1	577
Aug 06	1456	1453	1455	1449	1454	-2	168

BMD remains closed on Saturday and Sunday.

GOI: Cuts Base Import Prices on Edible Oils

Government of India cuts base import prices on edible oil on Friday, i.e. March 31, 2006. Government of India reduced base import prices on Crude Soybean Oil at \$

524/ton (-13) from \$ 527/ton, Crude Palm Oil at \$ 430 /ton (-\$4/ton) from \$ 434/ton, RDB Palm Oil at \$ 445/ton (-4) from \$ 449/ton, Crude Palm olein at \$ 452/ton (-4) from \$ 456/ton, Other Palm Oil 438 (-4) from \$442/ton, RBD Palmolein 455 (-4) from \$459/MT, Other Palmolein 454 (-4) from \$458/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: Revised base import prices Unit (US \$/Ton)

Commodities	Current Tariff Rate	Previous Tariff Rate	Change (US \$)
Crude Soybean Oils	524	537	-13
CPO	430	434	-4
RBD Palm Oil	445	449	-4
Crude Palm Olein	452	456	-4
RBD Palm Olein	455	459	-4
Other Palm Oil	438	442	-4
Other Palmolein	454	458	-4

Source: Ministry of Finance, GOI.

Palm Oil

Today palm oil prices on spot markets were steady amid weak sentiments in the markets due to \$4/ton reduced in tariff value by government of India on palm oil. Revised lowered tariff rate on palm oil and higher stock brought negative impact on its prices. There was nothing fundamentals to boost its prices. BMD remains closed on Saturday and Sunday. 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	1.04.06	31.03.06	Change
Kandla CPO (5 % FFA)	354	354	0
Kandla RBD Palmolein	370	370	0
Mumbai RBD Palmolein	375	375	0
Chennai RBD Palmolein	385	387	-2
Kakinada RBD Palmolein	373	373	0
Hyderabad RBD Palmolein	395	395	0

Soy oil

Today soybean oil prices on domestic spot markets showed mixed sentiments. However, NCDEX and NBOT April contract refined soy oil price ends down as compared to previous closing price due to cuts on base import prices on crude soy oil by \$ 13/ton. Most of markets were closed in Rajasthan due to 1st day of financial year. Another bearish news that the USDA projected higher soybean plantings at 76.89 million acres from 74.21 million acres), while previous year planting remain at 72.1 million acres. March 1st stock was projected at 1.669 billion bushels as compared to 1.381 billion last year. Prices are expected to improve slightly in near term due to depleting stock and VAT.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 352/53 per 10 kg. CIF prices for soy degum (April Shipment) at Kandla were quoted at \$ 496 per tonne, it is declined slightly as compared to Friday.

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

Centres	1.04.06	31.03.06	Change
Mumbai (Soy Ref oil)+VAT	367	366	+1
Indore (Soy Ref oil)	369	364	+3
Indore (Solvent Ex. Oil)+VAT	344	338	+6
Kota (Soy Ref. Oil)	Closed	367	-
Jaipur (Soy Ref. Oil)	Closed	370	-
Hyderabad (Soy Ref)	380	380	0
Chennai	377	378	-1
Rajkot (Soy Ref)+Tax	370	370	0

Rape/Mustard oil

Mustard oil prices on domestic spot markets showed steady amid weak sentiments in most of the markets. Arrivals of mustard seeds were about 1-1.25 lakh bags in different mandis of Rajasthan. Supply of mustard seeds declined slightly due to 1st day of financial years. Trading activity was very slow and most of markets were closed in Rajasthan. Mustard oil prices are expected to move range bound with weak sentiments in near term due to harvesting pressure in major producing areas.

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

Centres	1.04.06	31.03.06	Change
Mumbai (Rape Expeller Oil)	369	369	0
Kota (Rape Expeller Oil)	Closed	342	-
Jaipur (Rape Expeller Oil)	Closed	346	-
Delhi (Rape Expeller Oil)	368	368	0
Neewai (Kachchi Ghani Rape Oil)	360	362	-2

Groundnut Refine Oil

Today groundnut oil prices on domestic spot markets were steady to positive sentiments, the prices improved in Rajkot due to VAT factor and depleting stock. VAT is implemented in Gujarat from today. Gn oil prices of Gujarat state were already lower in comparison to other producing states, it was expected to improve from first week of April. Groundnut seeds were quoted Rs335/20 kg in Rajkot Mandi. Prices improved in Chennai markets only due to local demands at retail ends. GN oil prices are expected to improve slightly in near term.

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

Centres	1.04.06	31.03.06	Change
Mumbai	440	440	0
Rajkot	449	448	+1
Andhra Region	442	442	0
Chennai	450	445	+5

Sunflower Refine Oil

Sunflower oil prices on physical markets were steady in most market. Harvesting is in progress in Andhra Pradesh with expectation of higher production and harvesting is started in some pockets of Tamil Nadu state. CIF prices for sunflowers (April Shipment) at Kandla port were increased slightly to \$ 586 per tonnes,(up \$4/MT) from 582/ton.

Sunflower oil prices are expected to move range bound with weak sentiments due to harvesting pressure.

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

Markets	1.04.06	31.03.06	Change
Mumbai +Vat	413	413	0
Chennai	432	432	0
Hyderabad	424	424	0

Cotton Refine Oil

Today cotton oil prices on spot markets showed lackluster in most of the markets. Gujarat state imposed VAT from April1, 2006, it brought positive impact on its prices. Cotton oil prices are expected to move range bound in near term.

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

Markets	1.04.06	31.03.06	Change
Mumbai	378	379	-1
Hyderabad	385	385	0
Rajkot	370	368	+2

NBOT Soy oil futures as on 1.04.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
Apr '06	375.10	373.70	374.20	372.90	373.00	-2.10	12100
May '06	381.70	380.50	381.10	379.10	379.40	-2.30	2420

NCDEX Soy Oil Futures Ends Down

NCDEX April soy oil contract prices settled lower on Saturday. Indian government cuts base import prices on crude soy oil by \$ 13/ton. Another bearish news that the USDA projected higher soybean plantings at 76.89 million acres from 74.21 million acres), while previous year planting remain at 72.1 million acres. March 1st stock were projected at 1.669 billion bushels as compared to 1.381 billion last year. Soy oil futures prices settled down Rs 1.40 trading at Rs 374.15/10 Kg, the prices moved in a range of Rs 373.00 to Rs 374.80 on Saturday. Soy oil prices are expected to move range bound near term.

NCDEX Soy oil futures as on 1.04.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
Apr'06	375.55	374.50	374.80	373.00	374.15	5200	17180
May'06	382.50	381.35	381.50	379.60	380.40	2500	9820
Jun'06	388.65	386.30	387.00	385.00	385.50	390	2480

Forex Rates (As on 01.04.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.59
European Union	Euro	54.04
Japan	100 Yen	37.86
United Kingdom	Pound Sterling	77.48
Malaysia	Ringgit	12.11
China	CNY	5.56
Argentina	ARS	14.49
Brazil	BRL	20.32
Indonesia	1000 IDR	4.93

PORT-WATCH (Latest):

Edible Oil

Kandla Port is receiving 9,600 MT of SBO from the vessel 'Alexandros'. The cargo was loaded from Argentina. 'Isokaze' from Dumai has berthed at the port and is continuing to discharge 9,600 MT of CPO. These vessels are being handled by Interocean agents. Delivery of 9,000 MT of CPO is continuing at the port from the vessel 'Madura'. The cargo was loaded from Indonesia. Taurus agents is handling the vessel. The port is expecting 'Golden Glory' from Indonesia to discharge 8,000 MT of CPO. Forbes Gokak agents will be handling the vessel.

'Samho Jewellery' has berthed at Mumbai Port and continues to discharge 11,000 MT of CPO. Interocean agents is handling the vessel.

Kolkata Port is receiving 18,500 MT of SBO from the vessel 'Fair Luna'. Seaport agents is handling the vessel. 'Tirta Niaga 2' has berthed at Kolkata Port and continues to deliver 6,000 MT of CPO. The vessel is being handled by Interocean agents.

Delivery of 6,000 MT of CPO is continuing at Kakkiada Port from the vessel 'Ace I'.

Chennai Port is expecting 'Tirta Niaga' to deliver 5,900 MT of CPO. Interocean agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Tirta Niaga 2	6000	CPO	Arrived
	Fair Luna	18500	SBO	Arrived
Chennai	Tirta Niaga	5900	CPO	Expected
Kakinada	Ace I	6000	CPO	Arrived
Kandla	Alexandros	9600	SBO	Arrived
	Isokaze	9600	CPO	Arrived
	Madura	9000	CPO	Arrived
	Golden Glory	8000	CPO	Expected
Mumbai	Samo Jewellery	11000	CPO	Arrived

LATEST WEATHER WATCH

Forecast valid for next 72 hours

NORTH-WEST INDIA: Rain/snow is likely at a few places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers likely over Punjab and Haryana, Chandigarh & Delhi. Mainly dry weather is likely over the region from 3rd onwards.

EAST INDIA: Isolated rain/thundershowers are likely over West Bengal & Sikkim and coastal Orissa. Mainly dry weather is likely over the rest region.

NORTHEAST INDIA: Mainly dry weather is likely over the region upto 1st. Isolated to scattered rain/thundershowers with isolated hail/squall are likely over the region from 2nd April.

SOUTH INDIA: Isolated rain/thundershowers are likely over Nicobar Islands, south Tamil Nadu and Kerala. Weather will be mainly dry over the rest region.

WEST INDIA: Weather will be mainly dry over the region with mainly sunny days and increase in temperatures outside north Rajasthan where isolated rain/ thundershowers is likely

CENTRAL INDIA: Weather will be mainly dry over the region. The day & night temperatures in this region are likely to increase.

Outlook for subsequent two days based on NCMRWF and other numerical weather products: Scattered rain/thundershowers with isolated hail/squall are likely over northeastern states.

Source: IMD, GOI.

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