

VEGOIL

April 28, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Futures Settle Down on Weather Concern
- BMD CPO Futures Ends Flat After Choppy Trading
- NCDEX May Contract Soy Oil Futures Settle Up

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX May Contract

Technical Analysis for May Contract:

1. The MACD has just turned upwards slightly after crossing its signal line from below, which indicates bullish market sentiments.
2. % K line is moving slightly southwards in neutral zone after bearish crossover to % D line, which indicates slightly bearish market sentiments.
3. Prices closed just above 9 and 18 days EMA (410.09) and (405.20), which indicates bullish market sentiments.

4. Candlestick pattern has displayed bearish market sentiments.

Market Advice: Market is expected to move range bound with positive sentiments. Buy near 411.70, target near 416.20 put stop loss at 409.60

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX May '06	409.65	406.70	419.90	424.60

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 on Weather Concern

July Soybeans settled down 3.25 cent at \$5.90/bushel, 4 cent off the high and 2.50 cent up from the low. November Soybeans settled down 3.50 cent at \$6.1025/ bushel, which was 2 cent up from the low and 3.75 cent off the high. July Soybean Oil closed down 0.06 cent at 25.2 cent/pound, 0.1 cent off the high and 0.19 cent up from the low. Idea in the market about correction over sold region to the neutral region help to weaken the market initially. Wet weather in the central and eastern regions is expected to delay the planting of corns which pressure soybeans and support the corn market. If there will be delay in planting corn then there would be meagre chances of planting extra corn and thereby the extra area would shift towards soybeans. The burgeoning ending stocks for the 2005/2006 season and expected further increase in the stocks added bearish tone. For the weekly export sales report, traders are expecting soybean sales near 200,000-300,000 tonnes as compared to 194,600 tonnes last week. Meal sales are expected hover around 75,000-125,000 tonnes and oil sales near 0-10,000 tonnes. For the Census crush report, traders are expecting March crush near 148.5 to 149.5 million bushels compared to 148.5 million last year. Meal stocks are expected near 310,000 tonnes and oil stocks near 2.765 billion pounds.

CBOT Soy oil futures as 26.04.2006 (Cents/pound)

Months	PCP	Open	High	Low	Close	Change
May'06	24.78	24.7	24.87	24.6	24.77	-0.01
Jul '06	25.26	25.2	25.3	25.01	25.2	-0.06
Aug'06	25.44	25.39	25.45	25.2	25.37	-0.07
Sep'06	25.62	25.43	25.64	25.43	25.55	-0.07

CBOT remains closed on Saturday and Sunday.

BMD CPO Futures Settle Flat After Choppy Trading

Crude palm oil futures at Bursa Malaysia Derivatives ended mostly flat after a choppy trading day Thursday. Market could not sustain up owing to stronger Malaysian Ringgit against US Dollar. The benchmark July CPO contract settled at MYR1,473 a metric ton, unchanged from Wednesday. There was lack of market direction as participants wait for fresh supply and demand data for some price guidance. Strengthening of the Ringgit was a key negative influence on the market Thursday. The ringgit's rise came in the wake of a surprise move by the central bank to raise its overnight policy rate by 25 basis points to 3.50%. A stronger ringgit is unfavorable for the palm oil industry, as it reduces earnings from exports of the commodity. Weaker soybean futures also weighed on the palm oil market. Declines in crude oil prices also added bearish tone.

BMD: CPO Futures (26.04.2006)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
May 06	1440	1435	1445	1432	1436	-4	442
Jun 06	1458	1454	1466	1452	1457	-1	832
July 06	1473	1469	1480	1466	1473	0	3877
Aug 06	1480	1477	1486	1475	1480	0	865
Sep 06	1482	1481	1488	1480	1482	0	195

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets moved up slightly amid positive sentiments in most markets. Palm oil prices followed soy oil prices. Strong futures market of soy oil on NCDEX brought positive impact on its prices. Palm oil prices are expected to move range bound in near term.

FOB prices of CPO (May) were quoted at \$ 392.50 per tonne and RBD Palmolein at \$ 422.50 per tonne.

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

Centres	27.04.06	26.04.06	Change
Kandla CPO (5 % FFA)	370	369	+1
Kandla RBD Palmolein +VAT	385	384	+1
Mumbai RBD Palmolein +VAT	390	388	+2
Chennai RBD Palmolein +VAT	402	400	+2
Kakinada RBD Palmolein +VAT	384	380	+4
Hyderabad RBD Palmolein +VAT	402	400	+2
Delhi RDB Palmolein	430	425	+5

Refined Soy Oil

Soybean oil prices on domestic spot markets moved up in most markets on Thursday amid positive market sentiments. NCDEX May refined soy oil contract settled up on GMO concerns as compared to previous closing. Arrivals of soybeans were about 48,000-50,000 bags (bag=85 Kg) in major markets. CIF soy (April Shipment) at Kandla quoted at \$528 a metric ton, down by \$2/ton. Spot market prices were quoted Rs 395 in Kota and Rs 400 in Jaipur, it higher as compared to previous close. Prices are expected to improve further in near terms due to strong futures markets on GMO concern.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 369 per 10 kg. CIF Prices for soy at Kandla were quoted at \$ 528 per tonne.

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

Centres	27.04.06	26.04.06	Change
Mumbai (Soy Ref oil)+VAT	405	398	+7
Indore (Soy Ref oil)+VAT	402	396	+6
Indore (Solvent Ex. Oil)+VAT	363	360	+3
Kota (Soy Ref. Oil)+VAT	395	385	+10
Jaipur (Soy Ref. Oil)+VAT	400	388	+12
Hyderabad (Soy Ref)+VAT	390	388	+12
Chennai +VAT	395	395	0
Rajkot +VAT	385	380	+5

Rape/Mustard Oil

Mustard oil prices on domestic spot markets witnessed mixed sentiments in the markets. Today's arrivals were about 5000 bags in Neewai mandi, Arrivals in Rajasthan were about 3.00-3.25 lakh bags in Rajasthan and 75,000–80,000 bags in Madhya Pradesh. Arrivals were about 4.5 to 5.00 lakh bags in India. Mustard seeds prices were quoted Rs 1480-1520 in Kota and 1640-55 per quintal in Jaipur mandi. Mustard oil prices are expected to move range bound with positive sentiments in near term.

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

Centres	27.04.06	26.04.06	Change
Mumbai (Rape Expeller Oil)	383	385	-2
Kota (Rape Expeller Oil)+VAT	368	366	+2
Jaipur (Rape Expeller Oil)+VAT	372	371	+1
Delhi (Rape Expeller Oil)	391	391	0
Neewai (Kachchi Ghani Rape Oil)	375	375	0

Groundnut Refine Oil

Today groundnut oil prices on domestic spot markets witnessed lack lustre in the markets. Today's arrivals of groundnut seeds were remained about 30,000 bags (bags=35 kg) in Gujarat. Arrivals in Chennai market were about 6000 bags (bags=80kg) Groundnut seeds were quoted Rs352 per 20 kg in Rajkot mandi. GN oil prices are expected to move range bound with positive sentiments in near term due to strong future markets of soy oil and higher prices of soy oil on spot market.

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

Centres	27.04.06	26.04.06	Change
Mumbai +VAT	473	474	-1
Rajkot +VAT	467	466	+1
Andhra Region +VAT	480	480	0
Chennai +VAT	450	445	+5
Delhi	510	510	0

Sunflower Refine Oil

Sunflower oil prices on physical markets revealed mixed sentiments in the markets. CIF prices for sunflowers (April Shipment) at Kandla port were quoted remain \$640 a ton on Thursday. Sunflower oil prices are expected to move range bound in near term.

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

Markets	27.04.06	26.04.06	Change
Mumbai +Vat	438	440	-2
Chennai	450	448	+2
Hyderabad	442	438	+4

Cotton Refine Oil

Today cotton oil prices on spot markets witnessed to improve in most markets amid positive sentiments. Strong soy futures market on NCDEX brought positive impact on its prices. Cotton oil prices followed soy oil prices. Cotton oil prices are expected to move range bound with positive sentiments in near term.

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

Markets	27.04.06	26.04.06	Change
Mumbai +VAT	400	399	+1
Hyderabad +VAT	395	390	+5
Rajkot + VAT	390	388	+2
Delhi	400	405	-5

NBOT Soy oil futures as on 27.04.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
May'06	409.10	416.60	416.60	412.80	414.30	+5.20	47230
Jun'06	417.10	424.60	424.60	422.10	423.30	+6.20	1850

NCDEX Soy Oil Futures Settle Higher on GMO Issue

NCDEX (May'06): Refined soy oil contract prices settled up on Thursday on account of GMO issue. Soy oil Soy oil futures prices settled up Rs 4.90 at Rs 414.50/10 Kg, Rs 6.50 off the high and Rs 2.60 up from the low. The prices moved in a range of Rs 411.90-421.00. Soy oil prices are expected to move range bound with positive sentiments in near term on increasing biodiesel demands.

NCDEX Soy oil futures as on 27.04.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
May'06	409.60	411.90	421.00	411.90	414.50	17280	16860
June'06	418.00	422.00	430.00	422.00	423.45	14770	24890
July '06	424.55	426.00	433.80	426.00	430.20	1790	2590

Forex Rates (As on 27.04.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.06
European Union	Euro	56.07
Japan	100 Yen	39.29
United Kingdom	Pound Sterling	80.42

PORT-WATCH (Latest):

Edible Oil

'Ace I' has berthed at Kakkinada Port and continues to deliver 6,000 MT of CPO. The port is expecting 'Spring Wind' and 'Chelesa' to deliver 4,000 MT of CPO and 21,000 MT of SBO respectively.

'Global Saturn' from Indonesia is expected at Kandla Port to discharge 7,000 MT of CPO. The vessel will be handled by Interocean agents. The port is expecting 'New Merry Ocean' from Indonesia to discharge 6,000 MT of CPO. Atlantic gents will be handling the vessel.

'Agiasma' is expected at Chennai Port and to deliver 17,000 MT of SBO. Interocean will be handling the vessel.

Delivery of 10,004 MT of palm oil is expected at Mumbai Port from the vessel 'Golden Dream'. 'Isokaze' is expected at the port to deliver 9,500 MT of CPO. Interocean agents is handling these vessels.

Tuticorin Port is expecting 'Spring Glory' to discharge 7,000 MT of palm oil. St.John agents will be handling the vessel.

JN port is expecting 'Biz' to deliver 20,000 MT of SBO. Interocean agents will be handling the vessel.

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Agiasma	17000	SBO	Expected
Kakinada	Ace 1	6000	CPO	Arrived
	Spring Wind	4000	CPO	Expected
	Chelesa	21000	SBO	Expected
Kandla	New Merry Ocean	6000	CPO	Expected
	Global Saturn	7000	CPO	Expected
Tuticorin	Spring Glory	7000	Palm Oil	Expected
Mumbai	Golden Dream	10004	Palm Oil	Expected
	Isokaze	9500	CPO	Expected
JN port	Biz	20000	SBO	Expected

Weather Forecast

Chief Features

The severe cyclonic storm "Mala" over southeast Bay of Bengal has remained practically stationary since morning and lies centred today around noon near Lat 12.5 °N, Long 90.5°E about 250 Km west-northwest of Port Blair.

The system is likely to intensify further and may ultimately move towards Arakan coast during next 72 hours. Under its influence, fairly widespread rain/thundershowers with isolated heavy to very heavy falls and squally weather are likely over and off Andaman Islands during next 2 days.

Heat wave conditions continue to prevail over isolated pockets of North Rajasthan, Punjab, Jammu division of Jammu & Kashmir and northwest Madhya Pradesh where day temperatures are 42-44°C. Day temperatures are around 40-42°C over remaining parts of northwest India, central India, adjoining east India and parts of Andhra Pradesh.

With the expected increase in day temperatures the heat

wave conditions are likely to extend into more parts of northwest India and central India during next 2 days.

West India

Weather will be mainly dry over the region. However, isolated dust storm may occur over Rajasthan. Day temperatures in Rajasthan are likely to remain between 41 & 43°C. Heat wave likely over some more areas of Rajasthan

Warning:

Scattered heavy to very heavy rainfall likely over Andaman Islands during next 48 hrs. Gale force winds with speed reaching 70-80 kmph is also likely over and off these islands during the same period. The fishermen are advised not to venture out into the sea off Bay Islands towards east-central & adjoining southeast Bay of Bengal.

Outlook for subsequent two days based on NCMRWF and other numerical weather products:

Under the influence of an approaching western disturbance, isolated to scattered rain/thundershowers likely over Western Himalayas

Source: IMD

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