

VEGOIL

May 3, 2006

MAJOR ACTIVITY HIGHLIGHTS

- CBOT Soy Oil Futures Maintain Rally
- BMD CPO Futures Settle Down On Rising MYR
- NCDEX May Contract Soy Oil Futures Ends Down After Choppy Trading

TECHNICAL ANALYSIS

COMMODITY: SOY OIL

Perspective: Very Short Term
NCDEX May Contract

Technical Analysis for May Contract:

1. The MACD has just turned downwards and crossed its signal line from above, which indicates bearish trends.
2. % K line is moving downwards in neutral zone after bearish crossover to % D line, which indicates bearish market sentiments.
3. Prices closed above 9 and 18 days EMA (415.66) and (410.40), which indicates slightly bullish market sentiments.

4. Candlestick formed a Doji pattern, which shows "tug of war" between seller and buyers in the market.

Market Advice: Market is indecisive, better to stay away. Risk bearer can go short with cautions. Sell near 419.30, Target near 416.20 Put stop loss at 421.00

Resistance & Support Levels (Most Active Contract)

Contract	Supp 1	Supp 2	Res 1	Res 2
NCDEX May '06	415.30	413.50	420.10	422.70

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 Maintain Rally

July Soybeans settled up 5.75 cents at \$6.0675/bushel, 5.75 cents off the high and 10.50 cents up from the low. November Soybeans settled up 5.25 cent at \$6.26/bushel, which was 9.50 cent up from the low and 6 cent off the high. July Soybean meal settled up \$5.3 at \$179.0/ton that was \$3.5 up from the low and \$1.0 off the high. July Soybean Oil closed up 0.16 cent at 25.88 cent/pound, 0.29 cent off the high and 0.06 cent up from the low. Strength in gold and silver helped to support the grain market, which in turn boost the soy futures up amid short covering buying support. Weakness in dollar also provided underlying support. Fund buyers dominate the session and recorded near 8000 contracts into the mid session. July meal accomplished well among other contracts. For the weekly export inspections report, soybean exports remain at 9.077 million bushels as compared to 8-12 million expected. Talk in the market that nearly 2,000 contracts of the oil was stopped by a major commercial trading firm in their house account provide some underlying support.

CBOT Soy oil futures as 01.05.2006 (Cents/pound)

Months	PCP	Open	High	Low	Close	Change
May'06	25.54	25.55	25.73	25.25	25.47	-0.07
Jul '06	25.72	25.85	26.17	25.58	25.88	+0.16
Aug'06	25.82	25.94	26.3	25.94	26.09	+0.27
Sep'06	26.05	26.2	26.45	26.2	26.27	+0.22

CBOT remains closed on Saturday and Sunday.

BMD CPO Futures Ends Down On MYR, Cash Market

Crude palm oil futures at Bursa Malaysia Derivatives settled down on Tuesday amid a rising Malaysian Ringgit and keen selling interest from a large trading house in the cash market. The benchmark July CPO contract ended at MYR1,465 a metric ton, down MYR16 from Friday after moving between MYR1,464 and MYR1,484/ton. The market was closed on Monday due to Labor Day Holiday. BMD CPO futures improved in early trading followed CBOT soy oil futures. However, the gains were short-lived because strong Malaysian Ringgit brought negative impact on its prices. The dollar fell to a fresh eight-year low against the ringgit Tuesday. A strong ringgit is unfavorable for the Malaysian palm oil industry as it reduces earnings from exports of the commodity. SGS (Malaysia) Bhd. estimated April exports at 1.18 million tons. Intertek Agri Services pegged exports at a slightly higher 1.22 million tons.

BMD: CPO Futures (02.05.2006) (Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May 06	1441	1437	1437	1429	1429	-12	299
Jun 06	1463	1464	1464	1448	1449	-14	543
July 06	1481	1483	1483	1464	1465	-16	4620
Aug 06	1490	1491	1491	1473	1474	-16	809
Sep 06	1492	1491	1491	1477	1477	-15	538

BMD remains closed on Saturday and Sunday.

Palm Oil

Today palm oil prices on spot markets witnessed mixed sentiments in most markets amid lower demands at retail ends. Lower soy oil prices on spot market brought negative impact on its prices. Palm oil prices are expected to move range bound with weak sentiments in near term.

FOB prices of CPO (May) were quoted at \$ 397.50 per tonne and RBD Palmolein at \$ 425 per tonne.

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

Centres	02.05.06	01.05.06	Change
Kandla CPO (5 % FFA)	371	371	0
Kandla RBD Palmolein +VAT	386	388	-2
Mumbai RBD Palmolein +VAT	399	Closed	-
Chennai RBD Palmolein +VAT	403	400	+3
Kakinada RBD Palmolein +VAT	390	388	+2
Hyderabad RBD Palmolein +VAT	405	405	0
Delhi RDB Palmolein	430	430	0

Refined Soy Oil

Soybean oil prices on domestic spot markets range bound with weak sentiments in most markets. NCDEX May refined soy oil contract settled marginally lower as compared to previous closing. Arrivals of soybeans were remains about 50,000 bags (bag=85 Kg) in major markets. Refine soy oil prices were traded at Rs 398 in Kota and Rs 400 per 10 kgs +VAT in Jaipur markets. Prices are expected to move range bound with positive sentiments in near terms on increasing demand for bio-fuel in China.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 374 per 10 kg. CIF Prices for soy at Kandla were quoted at \$ 544 per tonne on Tuesday.

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

Centres	02.05.06	01.05.06	Change
Mumbai (Soy Ref oil)+VAT	408	Closed	-
Indore (Soy Ref oil)+VAT	406	410	-4
Indore (Solvent Ex. Oil)+VAT	373	375	-2
Kota (Soy Ref. Oil)+VAT	395	398	-3
Jaipur (Soy Ref. Oil)+VAT	398	402	-4
Hyderabad (Soy Ref)+VAT	395	398	-3
Chennai +VAT	400	398	+2
Rajkot +VAT	380	383	-3

Rape/Mustard Oil

Mustard oil prices on domestic spot markets showed mixed sentiments in the markets. Supply of mustard seeds is declined slightly in Rajasthan as compared to peak season. Today's arrivals in Kota were about 2000 bags and 5000 bags in Jaipur Markets. Arrivals in Rajasthan were about 2.50 lakh bags in Rajasthan and about 50,000 bags in Madhya Pradesh. NAFED procured about 13.50 lakh ton of mustard seeds from major states, 9.30 lakh ton is procured from Rajasthan out of 13.50 lakh ton till date. Mustard seeds prices were quoted Rs 1540-1565 in Kota and 1700 per quintal in Jaipur mandi. Mustard oil prices are expected to move range bound in near term.

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

Centres	02.05.06	01.05.06	Change
Mumbai (Rape Expeller Oil)	391	Closed	-
Kota (Rape Expeller Oil)+VAT	370	375	-5
Jaipur (Rape Expeller Oil)+VAT	373	378	-5
Delhi (Rape Expeller Oil)	402	400	+2
Neewai (Rape Expeller Oil)	376	375	+1

Groundnut Refine Oil

Today groundnut oil prices on domestic spot markets has witnessed steady in most markets. Today's arrivals of groundnut seeds were remained about 30,000 bags (bags=35 kg) in Gujarat. Groundnut seeds were quoted Rs348 per 20 kg in Rajkot mandi. Prices improved slightly in Chennai market due to lower supply of groundnut seeds. GN oil prices are expected to move range bound with positive sentiments in near term.

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

Centres	02.05.06	01.05.06	Change
Mumbai +VAT	473	Closed	-
Rajkot +VAT	465	465	0
Andhra Region +VAT	480	480	0
Chennai +VAT	455	450	+5
Delhi	510	510	0

Sunflower Refine Oil

Sunflower oil prices on physical markets improved slightly amid increasing demands at retail ends. CIF Sunflower oil prices were quoted \$638 per ton. Sunflower oil prices are expected to move range bound in near term.

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

Markets	02.05.06	01.05.06	Change
Mumbai +Vat	452	Closed	-
Chennai	450	448	+2
Hyderabad	450	448	+2

Cotton Refine Oil

Today cotton oil prices on spot markets were steady to weak sentiments in most markets amid weak sentiments. Cotton oil prices dampened with soy oil prices. Cotton oil prices are expected to move range bound near term.

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

Markets	02.05.06	01.05.06	Change
Mumbai +VAT	405	Closed	-
Hyderabad +VAT	405	407	-2
Rajkot + VAT	396	396	0
Delhi	404	404	0

NBOT Soy oil futures as on 02.05.2006 (Rs/10 kg)

Months	PCP	Open Price	High Price	Low Price	Close Price	Change	Volume
May'06	418.2	416	416	415.3	415.5	-2.7	37040
Jun'06	428.3	426	429	423.8	425.2	-3.1	10700

NCDEX Soy Oil Futures Ends Down After Choppy Trading

NCDEX (May'06): Refined soy oil contract prices settled down marginally on Tuesday. Opening prices was weak and it improved slightly later on account of expected higher production of bio fuel in China, which is announced by Finance Ministry of China but it could not sustain for longer period, prices decline again after very short gain. There is strong talk in the market about the postponement of GMO declaration upto August 2006. Soy oil futures prices settled lower Rs1.25 at Rs 417.50/10 Kg, Rs 2.10 off the high and Rs 2.15 up from the low. The prices moved in a range of Rs 415.35 - 419.60. Soy oil prices are expected to move range bound with positive sentiments in near term on increasing demands of biodiesel worldwide.

NCDEX Soy oil futures as on 02.05.2006 (Rs/10 kg)

Months	Previous Closing	Open Price	High Price	Low Price	Close Price	Volume	Open Interest
May'06	418.75	417.50	419.60	415.35	417.50	13480	16120
June'06	428.30	426.90	429.60	423.70	426.10	19780	37820
July '06	434.35	437.00	437.00	429.80	431.90	6070	8040

PORT-WATCH (Latest):**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Agiasma	17000	SBO	Expected
Kakinada	Spring Wind	4000	CPO	Expected
	Chelesa	21000	SBO	Expected
Kandla	New Merry Ocean	6000	CPO	Expected
	Biz	12000	SBO	Arrived
	Isokaze	6700	Palm Oil	Expected
Tuticorin	Spring Glory	7000	Palm Oil	Expected
Mumbai	Golden Dream	10004	Palm Oil	Arrived
	Isokaze	9500	CPO	Expected
JN port	Biz	20000	SBO	Expected
New Manglore	Pagarus Seven'	12000	CPO	Arrived
Mundra	New Merry Ocean	9000	CPO	Expected

Forex Rates**(As on 02.05.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.90
European Union	Euro	56.47
Japan	100 Yen	39.46
United Kingdom	Pound Sterling	81.88
Malaysia	Ringgit	12.41

Weather Forecast

Weather will be mainly dry over the region.

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