

OILMEAL

23rd June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal: Domestic Market Remained Dull
- CBOT: Soymeal Futures Lower Due to Corrections
- China Demand for Indian Soymeal on the Rise Amid Jump in CBOT Prices
- USDA Export Sales Highlights, June 10 - 16, 2005

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market did show some bullishness in the early session but later on it slowed down. However, at NCDEX the July contract did not show enough trading in the market as the traders are going through a wait and watch situation. The CBOT soymeal on Wednesday slipped down due to technical correction and also due to dry weather concern. Soymeal future is likely to remain range bound. The weather outlook should be watched.

Plant delivery quotes of Soy seeds remained in the range of Rs 1315 per qtl in Indore while soymeal in physical market has been offered at Rs 9200-9500 per MT, as per quality. FOR quotes remained at Rs 10000 - 10100 per MT in Kandla in jute bags, FAS has been put at \$ 237 - 238 per MT.

India's soymeal exports totaled **156,100** tons in May 2005 compared with 278,300 tons in May 2004.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
Indore	9200-9500
Satna/Morena	9100
Javra/ Mandsore	-
Nanded	9300
Nagpur (42-43%)	8900-9300
Latur	9400
Sangli	-
Dhulia/Jalna	9400-9300
Kota	9600

Soy meal vessel report

Jamnagar Port is loading 11,400 MT of SBM to Thailand on the vessel 'Banglar Gourab'. MNK agents are handling the vessel.

Kandla Port is expecting 'Devon' to load 15,000 MT of SBM. Taurus agents will handle the vessel. 'IBI' has berthed at Kandla Port and continues to load 15,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

NCDEX Soy meal Futures price (23rd June)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9383.00	9381.00	9375.00	9381.00	-2.00
Aug	9543.00	9599.00	9549.00	9550.00	-7.00

Rape/ Mustard meal

The rapemeal cash market maintained a steady market at major market places. The demand in the market is at a firm level. The market is expected to stay range bound for the week.

The uncertain monsoon in the country is also responsible for the prevailing rising trend in the prices, but as soon as the rain arrives, the market is expected to make a significant downward movement.

In Shivpuri/ Morena, rates remained at Rs 4300 - 4500 per MT; Kota & Barah at Rs. 4300 - 4500 per MT.

Central Organisation For Oil Industry And Trade (COOIT), 1st Advance estimates for the year 2004-2005 has put the Rapeseed/Mustard crop production along with Kharif Toria (1.8 lakh tonnes) to 72.0 lakh tonnes in 2005.

India exported **69,650** tons of rapemeal in May 2005 as compared to 100, 875 in May 2004.

Groundnut meal

The prices of groundnut meal in the domestic market showed some trading in the market compared to other. However, the market is going through a wait and watch situation in the market.

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the rain arrives, the market is expected to make a significant downward movement.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6200 for 40% protein and at Dhulia market it was quoted at Rs. 7800 for 42 per cent protein.

Central Organisation for Oil Industry and Trade (COOIT), 1st Advance Rabi Estimates for the 2004-2005 has put the Rabi GN crop at 17 lakh tonnes, same as last year.

India exported around **3,025 MT** groundnut meal in May, 2005 as compared to 44,750 MT in May, 2004.

INTERNATIONAL MARKET

CBOT: Soymeal Futures Lower Due to Corrections

Soybean futures on the Chicago Board of Trade ended modestly higher on Wednesday, in another two-sided session as the uncertainty of weather market continues to promote volatile action. Futures are on the rise with a fair amount of risk already in the market but traders want to make profit amid long-range forecast of possible rain. Soy product futures ended mostly lower, drew back from the recent gains as both markets continued to consolidate from Monday's highs. The slide is due to technical selling and some corrections.

July soymeal settled \$0.90 lower at \$230.70 a short ton, and July soyoil ended 12 points lower at 25.32 cents a pound.

(One million metric tons of soybeans or wheat equals 36.74 million bushels.)

CBOT Soymeal Futures as on 22nd June, 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	231.6	236.0	236.0	230.7	-0.9	230.7
Aug'05	232.4	236.5	237.0	231.3	-0.8	231.6

CBOT remained closed on Saturday and Sunday

China: Soymeal Prices Steady

The soymeal market is going through a steady state and the prices are almost steady for the last few days. In overseas markets, Soybean futures traded on the Dalian Commodity Exchange settled mostly higher Wednesday on speculative long buying. Analysts said local soybean futures attracted some buying after lagging gains in Chicago Board of Trade soybean futures for some time. The benchmark September 2005 soybean contract rose 33 Chinese yuan (CNY8.2765=\$1) a metric ton to settle at CNY3,220/ton, after trading between CNY3,182 and CNY3,237/ton.

NEWS ANALYSIS

Demand for Indian Soymeal on the Rise Amid Jump in CBOT Prices

Asian soymeal importers are negotiating for a few soymeal cargoes from India following a jump in prices at the Chicago Board of Trade (CBOT). Some Indian sales might materialise with Singapore. The trading will start with some small negotiations taking off shortly. Indian soymeal was offered at \$280 a tonne, including cost and freight, to Southeast Asia, around the same level as high-pro Argentine meal. Low-pro Argentine meal was offered at \$265-\$270 whereas high-pro US meal was quoted at \$320. Chicago Board of Trade soybean futures rose nearly 3 per cent to an 11-month high in Asian trade today as fund buying regained strength amid concerns about dry weather in key US production areas. Indian regional traders and also Indian soy trade officials who also see the rise in Chicago prices as a window of opportunity to push sales. If

the global situation continues to be tight, India will be in an advantageous position and the Indian market will make gains from the present situations.

USDA Export Sales Highlights, June 10 - 16, 2005

Soybean Cake and Meal: Net sales of 109,700 MT were more than double the previous week and 62 percent above the prior 4-week average. The primary buyers were Mexico (47,400 MT), Japan (29,500 MT), Guatemala (15,100 MT), and Canada (9,500 MT). Sales of 13,500 MT for delivery in 2005/06 were for Mexico. Exports of 41,100 MT--a marketing-year low--were 39 percent less than the previous week and 60 percent under the prior 4-week average. The primary destinations were Canada (18,900 MT) and Mexico (18,100 MT).

WEATHER WATCH:

Rain/thundershowers likely at most places in Konkan & Goa; at many places over Saurashtra and south Gujarat region and at a few places over madhya Maharashtra and isolated in the rest region. Isolated duststorm likely over Rajasthan. Outlook for subsequent two days: Rain/thundershower activity over Chhattisgarh, west Uttar Pradesh, Himachal Pradesh, Uttaranchal, east Madhya Pradesh and Vidarbha likely to increase.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
European Union	Euro	52.74

Export of Oilmeal

COMMODITY WISE

India's oil meal exports of April - May '05 (compared to comparative period of previous year 2003-04)

Quantity in metric tonnes

Month	S.B. EXT	R.S. EXT	G.N. EXT	R.B. EXT	CST EXT	TOTAL
April 2005	99,250 (366,625)	90,900 (96,000)	12,950 (14,800)	--- (---)	17,800 (---)	220,900 (477,425)
May 2005	156,100 (278,300)	69,650 (100,875)	3,025 (44,750)	6,875 (---)	50,200 (---)	285,850 (423,925)
TOTAL	255,350 (644,925)	160,550 (196,875)	15,975 (59,550)	6,875 (---)	68,000 (---)	506,750 (901,350)
2004-05	1,861,325	588,805	121,475	43,056	70,750	2,685,411
2003-04	2,683,675	447,050	126,750	---	65,550	3,323,025
2002-03	1,333,318	455,533	15,225	---	92,445	1,896,521
2001-02	2,509,207	313,012	101,001	---	97,557	3,020,777
2000-01	2,182,142	62,968	18,609	---	10,992	2,336,638
1999-00 (F.Y)	2,249,505	79,874	1,808	---	93,365	2,428,470

S.B.- Soybean Extns., R.S.- Rapeseed Extns., G.N.- Groundnut Extns., CST - Castorseed Extns, R.B.- Ricebran Extns

Source: SEA Data Bank

PORTWISE

MONTH	BEDI	MUM- BAI	BHAV- NAGAR	KANDLA	VIZAG	KAKI- NADA	MAGD- ALLA	MUNDRA	TOTAL
April 2005	35,175 (61,525)	43,250 (102,175)	--- (34,700)	126,625 (235,500)	15,850 (24,125)	--- (7,500)	--- (---)	--- (11,900)	220,900 (477,425)
May 2005	10,500 (115,600)	48,325 (61,250)	--- (12,225)	188,975 (155,950)	30,425 (56,400)	6,875 (9,000)	750 (---)	--- (13,500)	285,850 (423,925)
TOTAL	45,675 (177,125)	91,575 (163,425)	--- (46,925)	315,600 (391,450)	46,275 (80,525)	6,875 (16,500)	750 (---)	--- (25,400)	506,750 (901,350)

Technical Analysis

June 23, 2005

Commodity : Soymeal
Contract : July (Future)
Exchange : NCDEX
Perspective : Very Short Term (Daily)



Candlesticks: The candlestick pattern is indicating that a peak has been formed. The trading in the market was at a poor condition. However, the resistance and support level will be at 9390 and 9350 levels respectively.

Moving Average: The 3 - day MA has cut the 5 -day MA from below and the 3 - day MA after showing an upward movement is showing a little bent (decreasing slope)

MACD: The MACD (5-day) is showing an upward bent and has cut the EMA from below. Both have entered the positive territory and are expected to move ahead.

Stochastic: The %K-line has cut the % D -line from above and is showing a downward movement.

All the indicators except MACD is showing a weakness in the market but the market is going through a wait and watch situation. The market is expected to open on a firm not but will remain range bound.

Recommendation: The prices will open firm and then will remain range bound. Look out for the weather forecast and short-term market is expected to remain bullish.

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