

OILMEAL

17th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal: Domestic Market Slow
- CBOT: Soymeal Futures Settled Lower
- USDA Export Sales Highlights, June 3 - 9, 2005
- Soymeal Exports Likely to Drop

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market remained sluggish and the demand was low in the market. Moreover, at NCDEX the June contract showed a firm opening but remained slow with low arrivals and demand also was poor. The CBOT soymeal market settled on the lower side on Thursday due technical corrections and weather uncertainty. Soymeal future is likely to remain range bound and it is better to look out for the weather forecast.

Plant delivery quotes of Soy seeds remained in the range of Rs 1300 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 9800 - 9900 per MT in Kandla in jute bags, FAS has been put at \$ 230 - 231 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	-
Javra/ Mandsore	-
Nanded	9100-9200
Nagpur (42-43%)	8700-9100
Latur	9100
Sangli	9400
Dhulia/Jalna	9200-9100
Kota	9350

Soy meal vessel report

Kandla Port is loading 19,800 MT of SBM on the vessel 'Patwira' Naree' to Japan. The vessel is being handled by

Taurus agents. 'IBI' is expected at the port to load 15,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

Jamnagar Port is expecting 'Banglar Gourab' to load 11,400 MT of SBM to Thailand. MNK agents will be handling the vessel.

NCDEX Soy meal Futures price (17th June)

	Prev Close Price	High Price	Low Price	Close Price	Change
June	8830.00	8850.00	8810.00	8825.00	-05.00
July	9200.00	9200.00	9200.00	9200.00	00.00

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.

In Shivpuri/ Morena, rates remained at Rs 4300 per MT; Kota & Barah at Rs. 4300 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 did show an improvement due to some increase in demand. The demand also increased from the international market.

The market is expected to remain firm at this level for the week.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6200 for 40% protein and at Dhulia market it was quoted at Rs. 7800 - 7900 for 42 per cent protein.

INTERNATIONAL MARKET

CBOT: Soymeal Futures Settled Lower

Soybean futures on Chicago Board of Trade ended on a mixed note on Thursday. The most active contracts after moving to new highs made some technical corrections and slipped down.

Soymeal futures ended lower, following the soybeans, with July soymeal settled \$0.90 lower at \$223.00 a short ton, and July soyoil ended 7 points lower at 24.10 cents a pound.

Futures rallied to new highs due to forecasting of stressful weather conditions emerging across the belt next week, but as the forecasters limited the hot, dry conditions, speculative fund buying scaled down. Private forecasters are predicting cooler and wetter conditions creating uncertainties about weather and production of soybean.

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

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.

CBOT Soymeal Futures as on 16th June, 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	223.9	223.0	225.3	221.8	-0.9	223.0
Aug'05	224.5	225.5	226.0	221.5	-1.6	222.9

CBOT remained closed on Saturday and Sunday

China: Soymeal Futures Slower

The soymeal futures were not able to follow the highs of CBOT soymeal futures and ended on a weak note. Soybean futures traded on the Dalian Commodity Exchange settled sharply higher in active trading Thursday, as buying in the local market surged following an extended rally overnight in Chicago Board of Trade soybean futures. The benchmark September 2005 soybean contract rose CNY40 a ton to settle at CNY3,133/ton, after trading between CNY3,110/ton and CNY3,154/ton.

NEWS ANALYSIS

USDA Export Sales Highlights, June 3 - 9, 2005

Soybean Cake and Meal: Net sales of 53,700 MT were 37 percent under the previous week and 24 percent below the prior 4-week average. The primary buyers were Mexico (12,300 MT), Guatemala (10,100 MT), and Canada (9,200 MT). Exports of 67,600 MT were 62 percent less than the previous week and 38 percent under the prior 4-week average. The primary destinations were Canada (18,500 MT) and Mexico (14,300 MT).

International Soy News: Soybean fields in China have been hit with cold, wet weather and in India the monsoon is late, meaning farmers have been unable to plant.

WEATHER WATCH:

Rain/thundershowers likely at many places over south Konkan & Goa, at a few places over north Konkan and isolated in rest Maharashtra. Isolated duststorm/thunderstorm likely over Rajasthan and west Madhya Pradesh. Mainly dry weather in the rest region.
Outlook for subsequent two days: Increase in rainfall activity likely over southern parts of Maharashtra.

Soymeal Exports Likely to Drop

India's soymeal exports in the year upto September are likely to fall by 40 per cent to 1.8 million tonne. In the last eight months upto May, 1.4 million tonne of soymeal was exported and the pace will slow down further in the remaining months, as the demand will be less due to off-season. In May, exports were around 250,000 tonne but June onwards it would be around 100,00-150,000 tonne monthly. The fall is due to lower domestic soybean crop and rising local soymeal consumption. Also domestic processing costs, which are higher than global prices, cut down trade margins, thus adding to the fall.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.59
European Union	Euro	52.75

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

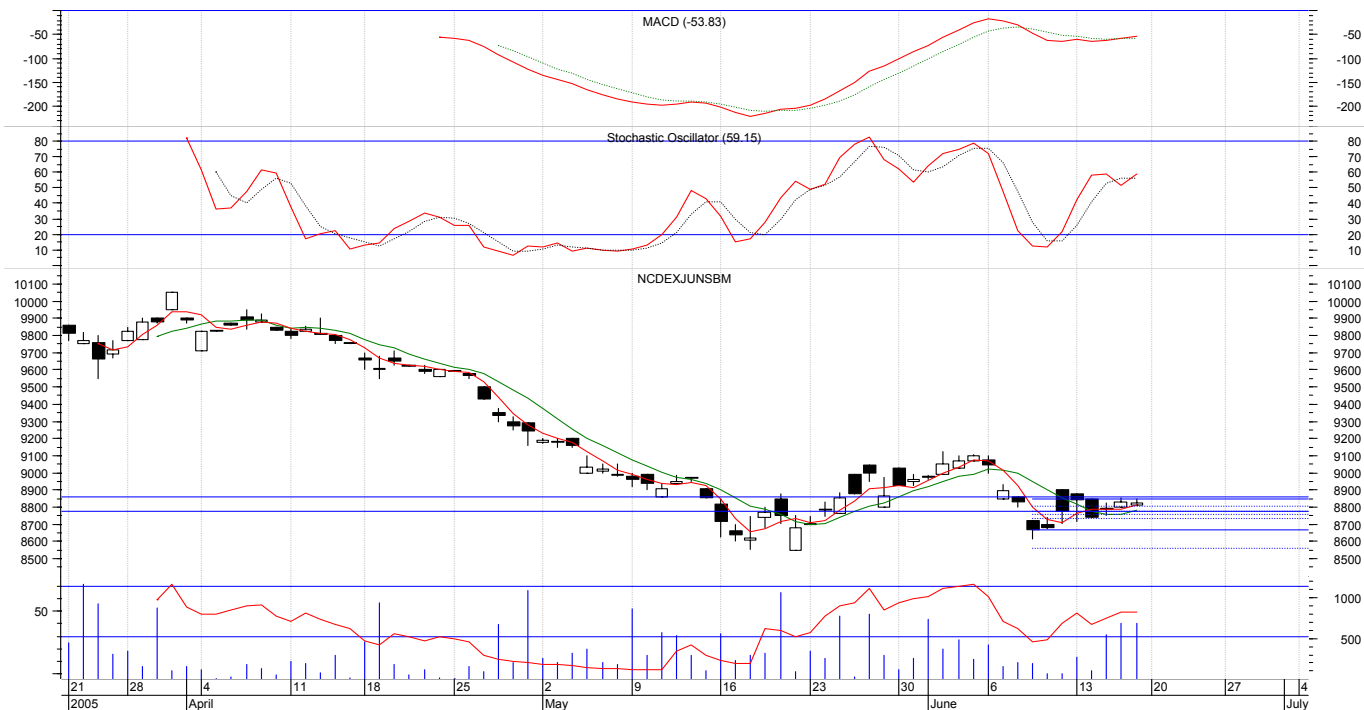
PORTWISE

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 17, 2005

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



Candlesticks: The candlestick pattern showed some bullishness in the market. The prices today showed some sluggishness in the market. However, the resistance and support level will be at 8860 and 8777 levels respectively.

Moving Average: The 3 - day MA has cut the 5 -day MA from below and the 3 - day MA is showing an upward movement, parallel with 5 - day MA.

MACD: The MACD (5-day) is showing an upward bent and has just cut the EMA from below. However, both are in the negative territory.

Stochastic: The %K-line has cut the % D -line from below and is showing a reversal in movement and moving ahead.

All the indicators are pointing towards firmness in the prices. The market is expected to remain range bound for tomorrow and will remain firm for most of the day. The demand in the market is weak for the time being.

Recommendation: If the prices go below 8810, remain short. Look out for the weather forecast.

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