

OILMEAL

16th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal: Domestic Market Remained Mixed
- CBOT: Soymeal Futures Rolled Ahead
- Uncertainty in Monsoon Arrivals

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market showed some firm buying transaction in the later part of the daylong trade. However, at NCDEX the June contract showed a firm opening and traded in the positive territory but later slowed down due to weak market support from the local market. The CBOT soy meal market settled higher on Wednesday due to weather concern and supportive demand in the domestic US market from the poultry industry. Soy meal 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 1285 - 1300 per qtl in Indore while soy meal in physical market has been offered at Rs 9300-9600 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 soy meal exports totaled 225,825 tons in March, 2005 compared with 457,100 tons in March 2004.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
Indore	9300-9600
Satna/Morena	-
Javra/ Mandsore	-
Nanded	8900
Nagpur (42-43%)	8700-9100
Latur	9100
Sangli	9300
Dhulia/Jalna	9300-9100
Kota	9400

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 (16th June)

	Prev Close Price	High Price	Low Price	Close Price	Change
June	8786.00	8855.00	8800.00	8817.00	+31.00
July	9171.00	9200.00	9200.00	9200.00	+29.00

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. 4200 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 **19,525** tons of rapemeal in March 2005 as compared to 23,775 in March 2004.

Groundnut meal

The prices of groundnut meal in the domestic market remained firm and stayed at yesterday's level. The demand also remained at the same level as last week. The market is expected to remain firm at this level for the week.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6000 - 6300 for 40% protein and at Dhulia market it was quoted at Rs. 7700 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 **4,750 MT** groundnut meal in March, 2005 as compared to 23,875 MT in March, 2004.

INTERNATIONAL MARKET

CBOT: Soymeal Futures Rolled Ahead

Soybean futures on the Chicago Board of Trade ended on a higher note on Wednesday, pushing further ahead, with new crop futures setting new highs once again. Soymeal futures followed the gains of soybean and also were supported by a good domestic demand. There are worries over the potential dryness in the central Midwest, which have added momentum to speculative buying in the market.

July soymeal settled \$3.00 higher at \$223.90 a short ton, and July soyoil ended 92 points higher at 24.17 cents a pound.

Export sales are expected to between 50,000 to 150,000 tons; meal sales are estimated at 40,000 to 80,000 tons and oil is pegged at 2,000 to 6,000 tons.

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

CBOT Soymeal Futures as on 15th June, 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	220.9	225.0	225.0	221.4	3	223.9
Aug'05	221.6	225.8	225.8	222.1	2.9	224.5

CBOT remained closed on Saturday and Sunday

WCE: Canola Ended Higher

Grain and oilseed futures at the Winnipeg Commodity Exchange (WCE) finished Wednesday's session higher in step with the rally in Chicago Board of Trade futures. Canola posted moderate gains in heavy trade. Canola futures advanced in the wake of the steep rise in CBOT soy complex futures.

Contributing to the rally were friendly technical signals and profitable crush margins. Also weighing on the market was the very strong Canadian dollar, sluggish export demand, the favorable growing conditions in Saskatchewan and Alberta and the improving weather in Manitoba.

NEWS ANALYSIS

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.

World Soymeal Consumption Projected to Increase (2005-06)

Global protein soymeal consumption is projected to increase by 3 percent in 2005/06, primarily due to gains for soybean meal. Protein meal consumption in China is projected to increase by 8 percent, with a 15 percent increase in soybean meal more than after covering up the decreased consumption of rapeseed and cottonseed meal.

World soybean trade increased by 7 percent to 65.6 million tons, nearly all of which is due to higher imports by China to

a record 27.0 million tons. Global vegetable oil consumption is projected to increase 5 percent for 2005/06 led by gains for China, India, and the EU-25. Global oilseed crush is projected to increase 3 percent, and oilseed stocks are projected to increase 3.5 million tons to a record 58.2 million tons.

Changes for 2004/05 for the U.S. include increased soybean crush and exports and reduced ending stocks. Global soybean ending stocks are also reduced, reflecting the effect of reduced Brazil soybean production for 2003/04. The crop is reduced from 52.6 million tons to 50.5 million tons based on analysis of crush and trade statistics for the marketing year.

WEATHER WATCH:

Rain/thundershowers likely at many places over Konkan & Goa and isolated in rest Maharashtra. Mainly dry weather in the rest region.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.61
European Union	Euro	52.69

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 16, 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 range bound movement 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 but the 3 - day MA is showing a downward slanting movement.

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 above and is showing a downward dip in its movement.

All the indicators except stochastic and MA 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 8800, remain short. Look out for the weather forecast.

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