

OILMEAL

11th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal: Domestic Market Surged Ahead**
- **CBOT: Soymeal Futures Lower Due to Rain Forecast**
- **USDA Export Sales (May 27 - June 2, 2005)**

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market made some bearish trading in the domestic sector. However, at NCDEX the June contract continued the technical corrections and pushed ahead. The market after a lean phase is making a recovery. The soymeal futures at CBOT on Friday ended on a lower note due to expected beneficial rain and bearish USDA supply and demand report. Soymeal future is likely to remain range bound with a firm opening next week.

Plant delivery quotes of Soy seeds remained in the range of Rs 1275 per qtl in Indore while soymeal in physical market has been offered at Rs 9000-9200 per MT, as per quality. FOR quotes remained at Rs 9750 per MT in Kandla in jute bags, FAS has been put at \$ 227- 228 per MT.

India's soymeal 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	9000-9200
Satna/Morena	9100
Javra/ Mandsore	-
Nanded	8700
Nagpur (42-43%)	8500-9000
Latur	8900
Sangli	9200 - 9300
Dhulia/Jalna	9000-8900
Kota	9350

Soy meal vessel report

Loading of 17,125 MT of SBM is expected at Kandla Port on the vessel 'Le Rong' to Japan. The vessel will be handled by InterOcean agents. The port is expecting

'Patwira' Naree' to load 19,800 MT of SBM to Japan. The vessel will be handled by Taurus agents.

NCDEX Soy meal Futures price (11th June)

	Prev Close Price	High Price	Low Price	Close Price	Change
June	8680.00	8900.00	8705.00	8775.00	+95.00
July	9100.00	9145.00	9145.00	9145.00	+45.00

Rape/ Mustard meal

The rapemeal cash market almost maintained the last days consistency in the market. The market arrivals still remained low and so was the demand from the market. The traders showed less interest in trading today.

In Shivpuri/ Morena, rates remained at Rs 4300 per MT; Kota & Barah at Rs. 4150 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 groundnut meal market maintained a steady trading and remained at the same level. The demand also remained at the same level as yesterday. The market remained firm due to interests shown by the traders.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6200 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.

INTERNATIONAL MARKET

CBOT: Soymeal Ended Lower Due to Rain Forecast

Soybean futures at the Chicago Board of Trade ended on the lower side on Friday after making initial gains in the market. The market lost ground as beneficial rains is expected to move into the dry areas of the eastern Midwest.

July soymeal settled \$1.50 lower at \$211.40 a short ton, and July soyoil ended 39 points lower at 22.74 cent a pound. For the week, July soybeans ended down 9 cents, November soybeans dropped 2 cents, July soymeal lost \$3.80, and July Soyoil dropped 21 points.

In a weather market, the trade is very sensitive to forecasts, and the market lost ground and liquidated funds on weather forecasts. Soymeal futures ended lower but served as the strongest factor in the soy complex, and also benefited from supportive demand projections from USDA.

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

CBOT Soymeal Futures as on 10th June, 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	212.9	214.5	215.1	211.2	-1.5	211.4
Aug'05	213.4	215.0	215.7	212.0	-1	212.4

CBOT remained closed on Saturday and Sunday

NEWS ANALYSIS

USDA Export Sales (May 27 - June 2, 2005)

Soybean Cake and Meal: Net sales of 84,800 MT were 55 percent above the previous week and 36 percent over the prior 4-week average. The primary buyers were Australia (44,000 MT, including 40,000 MT switched from unknown destinations), Japan (35,500 MT), Mexico (16,500 MT), and Panama (10,400 MT, including 5,800 MT switched from Guatemala). Reductions were reported for unknown destinations (40,000 MT). Exports of 176,400 MT were 76 percent above the previous week and 82 percent over the prior 4-week average. The primary destinations were Australia (44,000 MT), the Dominican Republic (35,100 MT), Mexico (19,000 MT), the Philippines (17,600 MT), Canada (14,500 MT), Panama (13,100 MT), and Guatemala (11,700 MT).

WEATHER WATCH:

Rain/thundershowers likely at a few places over Konkan & Goa and south madhya Maharashtra and isolated over north madhya Maharashtra and Marathawada. Mainly dry weather in the rest region. **Outlook for subsequent two days:** rainfall activity is likely to increase over northeastern states.

India exported around **4,750 MT** groundnut meal in March, 2005 as compared to 23,875 MT in March, 2004.

WCE: Canola Ended Moderately Lower

Canola WCE followed the weak trend of CBOT futures. The Canola market remained on the lower side for most of the week except on Thursday when the futures showed some technical correction and buying was on the rise.

Grain and oilseed futures at the Winnipeg Commodity Exchange (WCE) finished Friday's session narrowly mixed with canola mainly lower in step with the declines in the Chicago Board of Trade soy complex.

Canola ended the day with small losses in very dull trade. Canola initially rallied in line with the firm opening in CBOT soy complex futures. As the US soybean rally faded canola drifted down to close at modest losses. As the declines in CBOT soybeans intensified at the close, canola prices were pulled to there low. The firm Canadian dollar and the favorable crop outlook contributed to the weak tone, they added.

Reports from the Canola Council of Canada indicating that the canola crop is virtually planted with the crop conditions positive weighed on the market. However, canola losses were limited by steady commercial demand under the market and as a result canola did not see as large a decline as the CBOT soy market.

India: Oilmeal Export (May 2005)

The export of oil meals during May 2005 is reported at 285,850 tons compared to 423,925 tons in May last year i.e. down by 33 %. The overall export of oilmeal for the month of April to May 2005 is reported at 506,750 tons compared to 901,350 tons during the same period of last year i.e. down by 44%. Last year, India had excellent soybean crop and demand of meal was at peak with best price had lead to record export of soybean meal.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	53.21

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

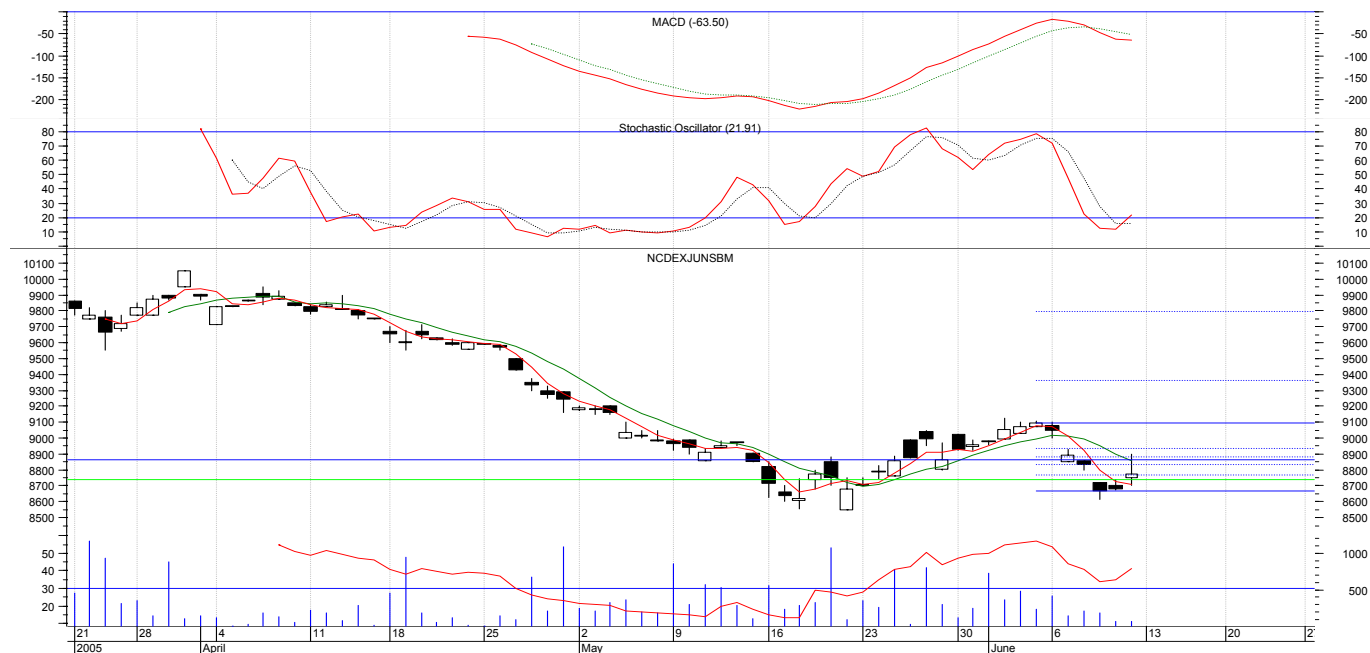
PORTWISE

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 11, 2005

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



Candlesticks: The candlestick pattern is showing bullishness in the market. The prices did show an upward surge in the daylong trade. However, the resistance and support level will be at 8860 and 8740 levels respectively.

Moving Average: The 3 -day MA has cut the 5 -day MA from above and is moving downward. However, the 3 - day MA is showing a slight upward turn.

MACD: The MACD (5-day) is showing a downward trend after cutting the EMA from above. However, both are in the negative territory.

Stochastic: The %K-line has cut the % D -line from below and is moving upward. The per cent K line is showing a reversal.

All the indicators are pointing towards some firmness in the prices. The market may open on a firm note but is expected to remain range bound. However, there is some volatility in the market.

Recommendation: The market is expected to open firm but later on it may dip and will remain range bound.

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