

OILMEAL

22nd June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal: Domestic Market Firm
- CBOT: Soy Futures Modestly Lower
- China China's Soybean Imports Expected to Rise 45% (2004/05)
- USDA Export Sales Highlights, June 3 - 9, 2005

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market showed a positive trading during the daylong trade. Moreover, at NCDEX the July contract made a recovery and moved into the positive territory. The bullishness in the market is expected to remain for the time being. The CBOT soymeal on Tuesday slipped down due to technical correction. Soymeal future is likely to remain range bound with some firmness. The weather outlook should be watched.

Plant delivery quotes of Soy seeds remained in the range of Rs 1305-1315 per qtl in Indore while soymeal in physical market has been offered at Rs 9500-9700 per MT, as per quality. FOR quotes remained at Rs 10050 - 10150 per MT in Kandla in jute bags, FAS has been put at \$ 237 - 240 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	9500-9700
Satna/Morena	9100
Javra/ Mandsore	-
Nanded	9200-9700
Nagpur (42-43%)	8800-9200
Latur	9700
Sangli	-
Dhulia/Jalna	9300-9100
Kota	9600

Soy meal vessel report

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

Kandla Port is expecting 'Devon' to load 15,000 MT of SBM. The vessel will be 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.

NCDEX Soy meal Futures price (22nd June)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9330.00	9440.00	9335.00	9381.00	+51.00
Aug	9491.00	9550.00	9455.00	9550.00	+59.00

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 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 slowed down today in major market places. However, the market is expected to remain firm at this level for the coming 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.

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: Soy Futures Modestly Lower

Soybean futures on the Chicago Board of Trade ended modestly lower on Tuesday, after a volatile two-sided trading as the market made some corrections after Monday's price surge. Soy product futures ended lower, following the same two-sided movement of soybeans.

July soybeans ended 3 3/4 cents lower at \$7.35 1/4 a bushel, November soybeans ended 4 1/2 cents lower at \$7.53, July soymeal settled \$0.80 lower at \$231.60 a short ton, and July soyoil ended 14 points lower at 25.44 cents a pound. July oil share ended at 35.45%, and the July crush finished at 54 cents.

The continued uncertain weather forecasts for the 2005 crop kept a mixed tone in the market, with profit-taking pressure and speculative buying creating a mixed trend in the market. The market settled lower after it reached an overbought condition and the most active November futures had a nine-day Relative Strength Index of 85.41. Weather continued to be the driver of the market, with fears of heat and dryness in the eastern corn belt cutting down yields.

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

CBOT Soymeal Futures as on 21st June, 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	232.4	230.8	732.0	230.8	-0.8	231.6
Aug'05	233.5	232.0	732.8	231.8	-1.1	232.4

CBOT remained closed on Saturday and Sunday

China: Soymeal Prices Soared Up

Following CBOT up trend, soybean meal RMB price soared RMB 100/mt since last weekend. However, most of the feed mills are preferring to wait and see. Most of the sales were fixed at lower level than market indication.

Since last weekend, soybean meal RMB price went up however the sales volume did not improve. Most of soybean crushing plants are still facing heavy pressure of high stock so actual sales were done at lower market prices.

NEWS ANALYSIS

China's Soybean Imports Expected to Rise 45% (2004/05)

It is estimated that China will import 24.5 million tons of soybean in the 2004-05 fiscal year, a jump of 45 per cent as compared with the figure in the 2003-04 fiscal year, according to China State Grain and Oil Information Centre. China imported 16.9 million tons of soybean in the 2003-04 fiscal year. China will import some 12 million tons of soybean from the United States. China's domestic demand for edible oils in the 2004-05 fiscal year will reach 18 million tons, resulting in a shortfall of 4 to 5 million tons. However, import of soybean from other countries will meet the shortfall of edible oils. Domestic demand for soybean dregs (including demand by the feed sector) will be 21.68 million

tons, less than the predicted total production of 24.36 million tons.

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).

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 in the rest region outside west Madhya Pradesh and Rajasthan where it may be isolated. Isolated duststorm are also likely over Rajasthan.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.50
European Union	Euro	53.01

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 - Castoseed 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)	---	126,625 (235,500)	15,850 (24,125)	---	---	---	220,900 (477,425)
May 2005	10,500 (115,600)	48,325 (61,250)	---	188,975 (155,950)	30,425 (56,400)	6,875 (9,000)	750 (---)	---	285,850 (423,925)
TOTAL	45,675 (177,125)	91,575 (163,425)	---	315,600 (391,450)	46,275 (80,525)	6,875 (16,500)	750 (---)	---	506,750 (901,350)

Technical Analysis

June 22, 2005

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



Candlesticks: The candlestick pattern showed some bullishness in the market. The prices today showed a range bound upward movement. However, the resistance and support level will be at 9450 and 9350 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.

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 below and is showing an upward movement and the per cent K line is about to enter the over bought condition.

All the indicators is showing firmness in the market but the some corrections are expected. The market is expected to open on a firm not but will remain range bound.

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

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