

OILMEAL

18th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal: Domestic Market Ended on a Strong Note
- CBOT: Soymeal Futures Higher on Speculative Buying
- Indian Soymeal Exports to South East Asian Countries
- USDA Export Sales Highlights, June 3 - 9, 2005

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market showed firm trading during the weekend and it showed bullishness after a week long weakness. Moreover, at NCDEX the June contract showed a firm opening and it showed a sharp upward movement in the market. The CBOT soymeal on Friday made a sharp jump on the higher side due to speculative buying and weather uncertainty. Soymeal future is likely to end the June contract on a sound note and will make some corrections in the coming week.

Plant delivery quotes of Soy seeds remained in the range of Rs 1310 per qtl in Indore while soymeal 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 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	9300-9600
Satna/Morena	-
Javra/ Mandsore	-
Nanded	9100-9400
Nagpur (42-43%)	8800-9200
Latur	9400
Sangli	9600
Dhulia/Jalna	9400-9200
Kota	9600

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 (18th June)

	Prev Close Price	High Price	Low Price	Close Price	Change
June	8826.00	9000.00	8889.00	9000.00	+74.00
July	9200.00	9285.00	9225.00	9225.00	+25.00

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 variation in some markets in Rajasthan. The market is expected to remain firm at this level for the coming week.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6100 - 6300 for 40% protein and at Dhulia market it was quoted at Rs. 7800 - 7900 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 Higher on Speculative Buying

Soybean futures at Chicago Board of Trade ended sharply higher on Friday, as fears of crop problems along with dryness in the eastern Midwest pushed up speculative buying interest. Soymeal moved out to new contract highs on Friday.

July soymeal settled \$6.00 higher at \$229.00 a short ton, and July soyoil ended 98 points higher at 25.08 cent a pound. For the week, July soymeal ended \$17.60 higher and July soyoil finished the week 234 points higher.

Speculative fund buying was a dominant force in the market's rise, with the combination of weather risks, lower acreage, the potential spread of Asian rust and aphids in the Midwest, providing a bullish momentum to the market.

Weather forecasts showing only limited chances for light showers in key growing areas of the Midwest with warming temperatures over the next week, kick started the gains. Traders remain fearful of smaller production potential amid aggressive new crop demand profiles.

In soymeal trades, ABN Amro bought 400 December, Man Financial bought 500 December, RJ O'Brien bought 500 December. Cargill sold 300 August, and Refco sold 200 December. Commodity funds were estimated buyers of 4,000 contracts.

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

CBOT Soymeal Futures as on 17th June, 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	223.0	222.2	230.0	222.2	6	229.0
Aug'05	222.9	223.0	230.3	223.0	5.8	228.7

CBOT remained closed on Saturday and Sunday

WCE: Canola Ended on a Higher Note

Grain and oilseed futures at the Winnipeg Commodity Exchange (WCE) finished Friday's session higher as the market advanced in step with the weather inspired gains in Chicago Board of Trade futures.

Canola posted sharp gains hitting their highest level of 2005 in active trade. Canola prices moved higher at the opening of the session in reaction to the steep rise in CBOT soy complex prices. The canola advance penetrated significant resistance levels at \$300 in the July contract and \$310 in the Nov contract, which triggered fresh speculative buying.

The resistance levels have been in place for over six months and traders feel that a close above these levels should result in fresh speculative buying next week.

NEWS ANALYSIS

Indian Soymeal Exports to South East Asian Countries

Generally, soymeal is India's largest exported oilmeal and comprises over 70 per cent of the exports. India exported three million tonne soymeal in 2003-04. Major destinations for soymeal exports are Vietnam, Japan, Indonesia, Sri Lanka, and Korea. Meanwhile, soymeal exports in May was at 153,162 tonne, up 36.3 per cent from a month ago. Exports to traditional buyers like Japan, Indonesia and Vietnam increased by 58,452 tonne during this period. Most South East Asian countries depend on Indian soymeal for fulfilling their short-duration requirement, as shipping time is less to these countries.

India exported around 45,373 tonne of soymeal to Japan in May, up 33,240 tonne from previous month. In May 2005, exports of Indian soymeal to Indonesia rose by around 13,964 tonne and to Vietnam it increased by around 11,248

tonne. The figures also show that soymeal exports to Thailand fell by around 6,935 tonne. In June around 100,000-150,000 tonne of soymeal is likely to be exported from India.

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 many places over Konkan & Goa, at a few places over madhya Maharashtra and isolated in rest Maharashtra and south Gujarat. Isolated duststorm/thunderstorm likely over Rajasthan and west Madhya Pradesh. Mainly dry weather in the rest region.

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 - Castoseed Extns, R.B.- Ricebran Extns
Source: SEA Data Bank

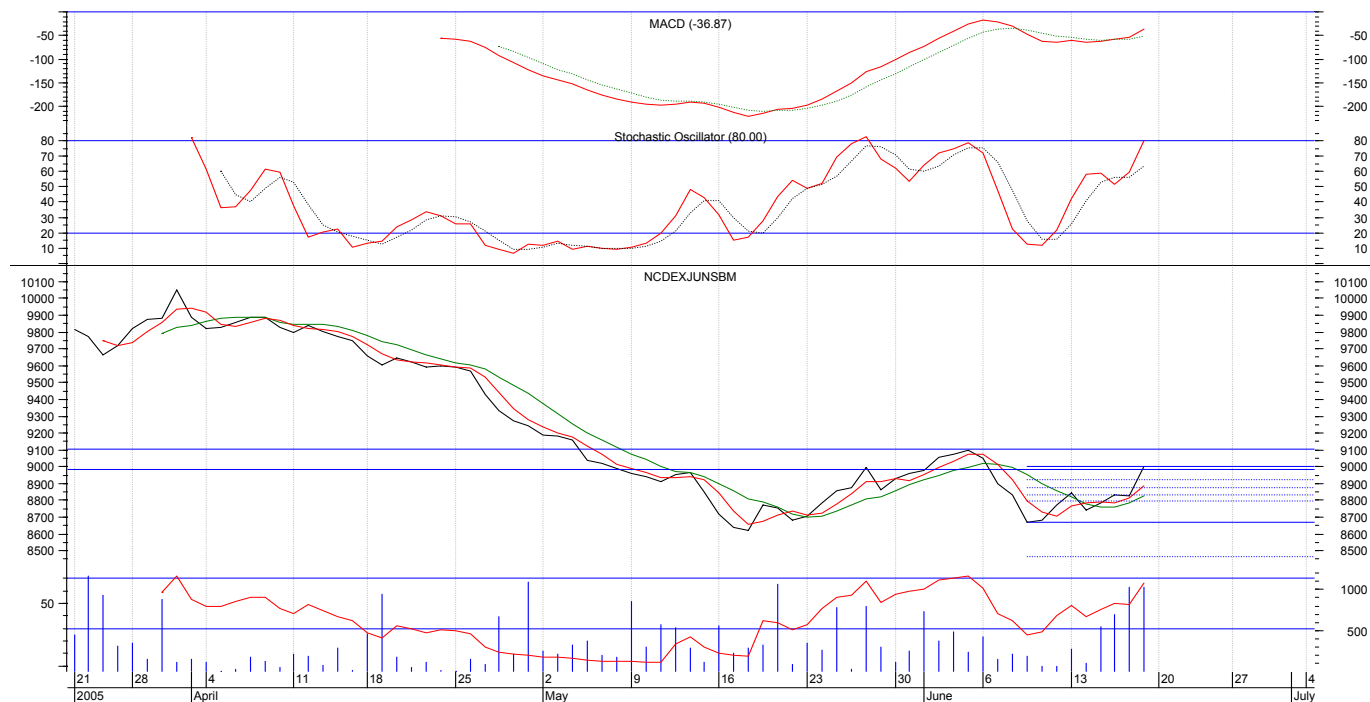
PORTWISE

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 18, 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 a sharp jump in the market. However, the resistance and support level will be at 9100 and 8985 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 to 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 sharp upward movement and have almost touched the over bough condition.

All the indicators are pointing towards firmness in the prices. The market is expected to remain firm for most of the day after it will open a positive note

Recommendation: If the prices go above 9010, remain long. Look out for the weather forecast.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.