

OILMEAL

27th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Witnessed a Sharp Fall
- Demand for Indian Soymeal is on the Rise
- USDA Export Sales Highlights, June 10 - 16, 2005

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market did show some weakness today. Moreover, at NCDEX the July contract showed a huge drop in the price level. The market is going through a depression due to the monsoon. However, the exports are likely to scale up in the coming weeks. Soymeal future is likely to remain weak and trading will remain low. The weather outlook should be watched out.

Plant delivery quotes of Soy seeds remained in the range of Rs 1290 per qtl in Indore while soymeal in physical market has been offered at Rs 9200-9400 per MT, as per quality. FOR quotes remained at Rs 10100 - 10200 per MT in Kandla in jute bags, FAS has been put at \$ 237 - 238 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	9200-9400
Satna/Morena	-
Javra/ Mandsore	-
Nanded	9100-9300
Nagpur (42-43%)	8800-9200
Latur	9100-9300
Sangli	-
Dhulia/Jalna	9300-9100
Kota	9500

Soy meal vessel report

Kandla Port is expecting 'Devon' to load 15,000 MT of SBM. Taurus agents will handle the vessel.

NCDEX Soy meal Futures price (27th June)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9380.00	9290.00	9250.00	9290.00	-90.00
Aug	9431.00	9400.00	9400.00	9400.00	-31.00

Rape/ Mustard meal

The rapemeal cash market remained dull and maintained the prices of last week. The demand in the market is at a stagnant level. The market is expected to stay range bound with a weakness for the week.

In Shivpuri/ Morena, rates remained at Rs 4300 - 4500 per MT; Kota & Barah at Rs. 4300 - 4500 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 domestic market of groundnut meal remained firm at last day's level. The trading is expected to maintain the momentum in the market. The market is going through a wait and watch situation in the market. The sowing is expected to start at the proper time for the kharif groundnut crop.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6300 for 40% protein and at Dhulia market it was quoted at Rs. 8000 for 42 per cent protein while at the Nanded market it was quoted at 8100 for 45 % 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: Closed on weekend Holiday

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

CBOT Soymeal Futures as on 24th June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	228.4	228.5	232.4	228.5	2.8	231.2
Aug'05	229.6	231.2	233.9	231.2	3.4	233.0

CBOT remained closed on Saturday and Sunday

NEWS ANALYSIS

Demand for Indian Soymeal is on the Rise

Demand for Indian soymeal has increased following soaring prices at the Chicago Board of Trade due to erratic weather in the US. Japan had finalised deals at about \$ 285 a tonne, including cost and freight, and Indonesia struck deals at prices close to \$ 273. Total sales to the two countries were about 30,000 tonnes. Some more sales to Indonesia and Vietnam are likely.

Chicago Board of Trade soybean futures surged nearly three per cent to a fresh 11-month high in Asian trade on June 22 as buying regained strength amid concerns about dry weather in key US production areas.

If the global situation continues to be tight, India will be at an advantageous position. India was yet to crush around 1.1 million tonnes of soybean, which would yield about 8 to

India exported around **3,025 MT** groundnut meal in May, 2005 as compared to 44,750 MT in May, 2004.

China: Soymeal Prices Steady

Following CBOT up trend, soybean meal RMB price soared today. 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.

9 lakh tonnes of soymeal. After meeting domestic demand of 5 to 6 lakh tonnes, India would still have an export surplus of about 300,000 tonnes which is a good sign for soymeal.

USDA Export Sales Highlights, June 10 - 16, 2005

Soybean Cake and Meal: Net sales of 109,700 MT were more than double the previous week and 62 percent above the prior 4-week average. The primary buyers were Mexico (47,400 MT), Japan (29,500 MT), Guatemala (15,100 MT), and Canada (9,500 MT). Sales of 13,500 MT for delivery in 2005/06 were for Mexico. Exports of 41,100 MT--a marketing-year low--were 39 percent less than the previous week and 60 percent under the prior 4-week average. The primary destinations were Canada (18,900 MT) and Mexico (18,100 MT).

WEATHER WATCH:

Rain/thundershowers likely at most places in north Konkan, at many places in the rest region out side west Rajasthan where it may be at a few places. **Outlook for subsequent two days:** Rainfall activity over east central parts of the country is likely to increase and extends westwards into central and adjoining western parts of the country.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.49
European Union	Euro	52.82

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

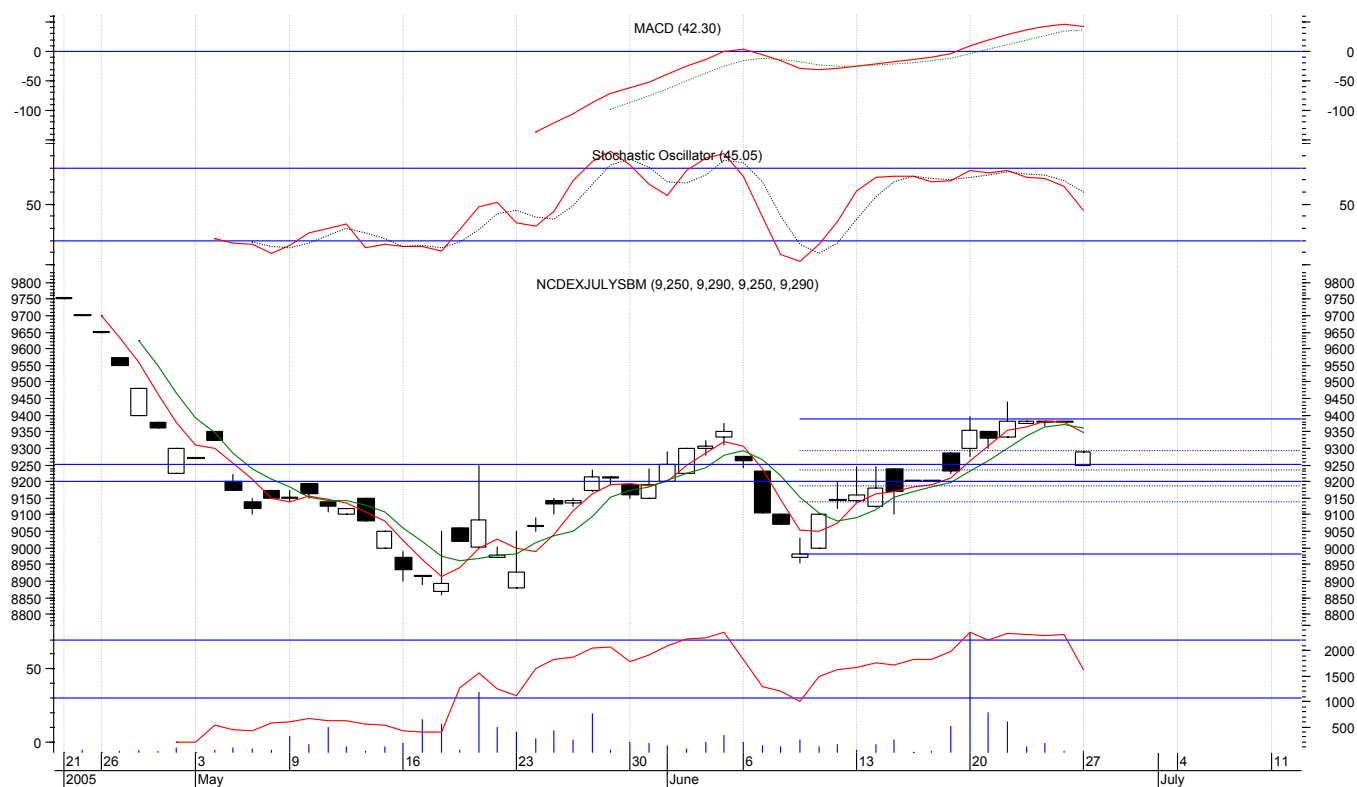
PORTWISE

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 27, 2005

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



Candlesticks: The candlestick pattern is showed a huge dip in the prices. The trading in the market was weak and was bearish. However, the resistance and support level will be at 9250 and 9200 levels respectively.

Moving Average: The 3 - day MA has cut the 5 -day MA from above and the 3 - day MA is showing a steady downward slope.

MACD: The MACD (5-day) is showing a downward bent and is just above the EMA. Both have entered the positive territory and moving ahead.

Stochastic: The %K-line has cut the % D -line from above and is showing some downward movement.

All the indicators are showing a weakness in the market and the prices are expected to drop further downward.

Recommendation: The prices will remain range bound with weaker price sentiments. The monsoon is showing progress in the sowing areas.

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