

OILMEAL

25th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Remained Dull
- CBOT: Soymeal Futures Ended Higher
- Soy Oil and Meal Use Accelerating - FAO
- 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 did not show enough trading in the market as the traders are going through a wait and watch situation. The CBOT soymeal on Friday moved up due to speculative buying and also because of dry weather concern. 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

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

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

NCDEX Soy meal Futures price (25th June)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9378.00	9380.00	9380.00	9380.00	-2.00
Aug	9470.00	9500.00	9431.00	9431.00	-39.00

Rape/ Mustard meal

The rapemeal cash market remained dull and stayed at the same level for the last few days. The demand in the market is at a stagnant 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 - 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 showed some firm trading in the market compared to other oilmeals. 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.

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 Ended Higher

Soybean futures at the Chicago Board of Trade ended Friday's session making strong gains, supported by crop concerns related to hot and dry weather conditions in dry growing areas of the central Midwest. Technically motivated speculative buying added to the bullish momentum in the market.

Soyproduct futures ended higher across the board, following the bullish momentum the soybean's weather-stimulated price gains. Soymeal was a follower of soybeans during the day but remained the weakest in the soycomplex as traders are looking for cheaper alternatives for their protein needs. Soyoil futures rallied to new highs in the current move, in step with soybeans.

July soymeal settled \$2.80 higher at \$231.20 a short ton, and July soyoil ended 91 points higher at 26.15 cent a pound. For the week, July soybeans finished 20 1/2 cents higher, November soybeans gained 24 1/4, July soymeal ended up \$2.20, and July soyoil advanced 107 points.

NEWS ANALYSIS

Soy Oil and Meal Use Accelerating - FAO

World consumption of vegetable oils and protein meals accelerated across 2004-05, according to the latest outlook report from the United Nation's Food and Agriculture Organization (FAO). This season is seeing world consumption of protein meals expand 13%, compared to an average of 3% during the past four seasons, reflecting last year's sharp rise in world soybean production. The latter, together with the estimated rise in rape and cottonseed meal output, will easily offset the expected fall in sunflower meal production. A new record is expected for global oilmeal supplies (i.e. 2003-04 ending stocks plus 2004-05 production), which are estimated to increase about 10%

Crop-stressing heat forecast to remain in the Midwest through next week, with only limited chances for light showers in the driest areas of the region, which have put pressure ahead of the weekend. Weather remained the primary feature of the market, as analysts continue to consider the risks of potentially smaller-than-expected production because of moisture shortages in the midst of aggressive demand outlooks for the 2005-06 marketing year. Worries over the possible spread of Asian rust and reports of aphids in the upper Midwest raised further crop concerns, keeping speculative buying a featured attraction.

In soymeal trades, Cargill bought 200 July and 300 August, Refco bought 200 July and 300 August. Cargill sold 200 July, 200 August, 200 September and 400 December. Commodity funds were net buyers on the day.

(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

WCE: Canola Prices Surged Ahead

Grain and oilseed futures at the Winnipeg Commodity Exchange (WCE) finished Friday's session higher as canola was boosted by the rally in Chicago Board of Trade soy complex futures.

Canola rallied moderately in moderate activity Canola posted moderate gains in the wake of the double-digit advance in CBOT soybean futures and the strong CBOT soyoil market. Friendly technical signals contributed to the advance, as did the profitable crush margins for canola.

However, traders do feel that the favorable growing conditions will ultimately see a canola crop of 8 million metric tons, which prompted some selling. Also bearish for the market was a firm Canadian dollar.

this season, somewhat less than production because of last seasons exceptionally low level of carry-out stocks.

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, Saurashtra and Gujarat region at many places over south Konkan & Goa, and at a few places in the rest region out side west Rajasthan where isolated duststorm is likely.
Outlook for subsequent two days: Rainfall activity over northeastern and eastern parts of the country and over Konkan & Goa and south Gujarat likely to continue.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	52.42

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)	--- (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 25, 2005

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



Candlesticks: The candlestick pattern is showing some sort of indecisiveness. The trading in the market was at a poor condition. However, the resistance and support level will be at 9390 and 9350 levels respectively.

Moving Average: The 3 - day MA has cut the 5 -day MA from below and the 3 - day MA after showing an upward movement is showing a little bent (decreasing slope).

MACD: The MACD (5-day) is showing an upward bent and has cut the EMA from below. 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 as the market is going through a wait and watch situation. The market is expected to remain range bound and weak too.

Recommendation: The prices will remain range bound with low trading in the market. Look out for the weather forecast and short-term market is expected to remain bullish.

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.