

OILMEAL

21st July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Remained Dull
- CBOT Soymeal Recovers Late
- China's Soybean Imports on the Rise Amidst Declining Production

TECHNICAL ANALYSIS

July 21, 2005

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

N.B.: There was no trading at the NCDEX future market in the August contract.

Candlesticks: The candlestick pattern did show some recovery but after a sharp fall in the opening session. The market is expected to open weaker. Moreover, the resistance and support level will be at 9200 and 9092 levels respectively.

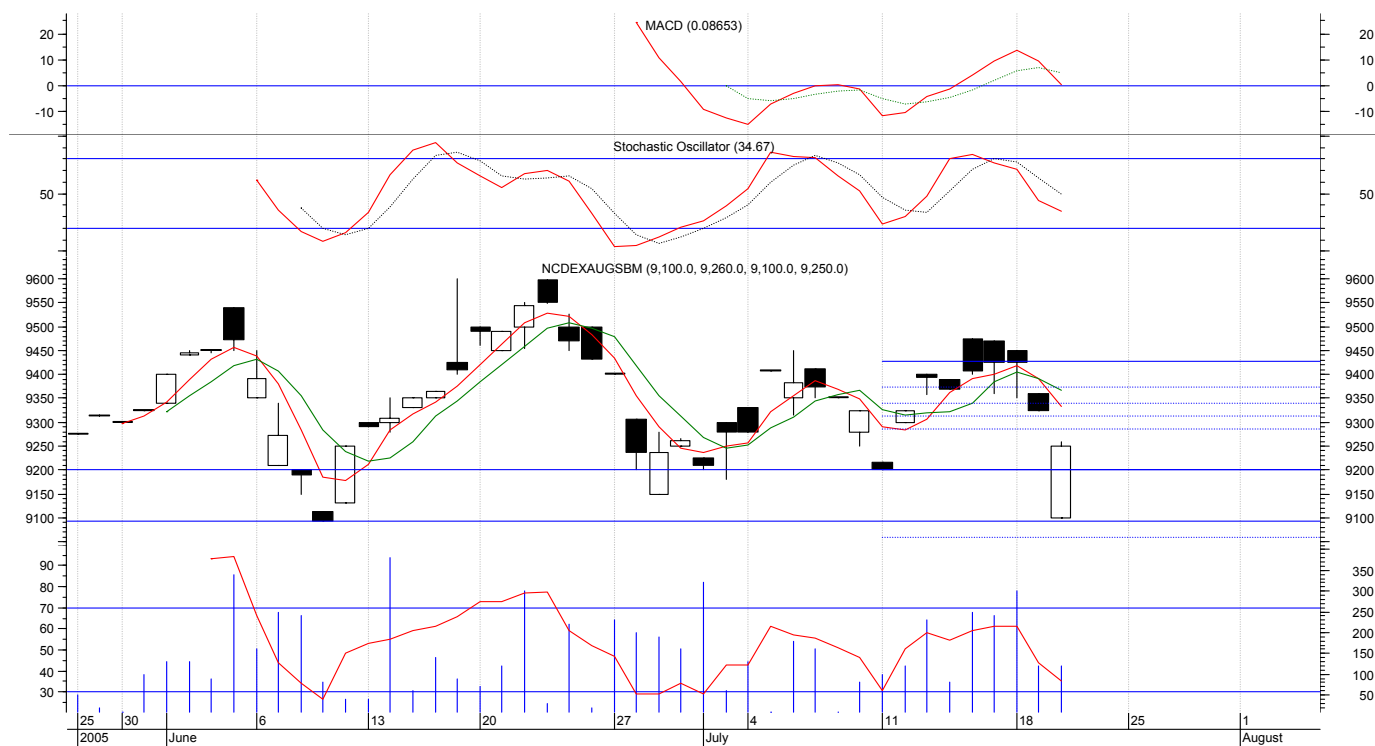
Moving Average: The 3 - day MA after cutting the 5 -day MA from above and both are moving downwards.

MACD: The MACD (5-day) has cut the EMA from above and MACD is just above the zero line and both are moving downwards.

Stochastic: The percent K - line as well as the percent D line is moving downwards. However, both are in neutral region but the curvature is showing a slight bent, showing a decrease in slope.

The market is expected to move further downward due to low demand in the market but some corrections are expected.

Recommendation: The prices will open weak and will trade range bound and some correction in the upward direction is expected. Short selling seems to be profitable.



COMMENTARY

DOMESTIC MARKET

Soy meal

The soymeal market is still going through a lean phase mainly due to uncertainty about sowing progress. The cash market did show some moderate trading. However at NCDEX three more contract up to December have opened today but till now there has been no trading in the August contract. The trading in the future market remained poor. The soymeal futures are expected to remain range bound but expected to recover firmly. The CBOT contract ended moderately higher on Wednesday due to weather forecast and late technical and commercial selling.

Plant delivery quotes of Soy seeds remained in the range of Rs 1315 per qtl in Indore while soymeal in physical market has been offered at Rs 9000 - 9400 per MT, as per quality. FOR quotes remained at Rs 9900 - 10000 per MT in Kandla in jute bags, FAS has been put at \$ 228 - 232 per MT.

India's soymeal exports totaled **115,750** tons in June 2005 compared with 94,500 tons in June 2004.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
Indore	9000-9400
Satna/Morena	9200
Javra/ Mandsore	-
Nanded	9050
Nagpur (42-43%)	8800-9100
Latur	9100
Sangli	9500
Dhulia/Jalna	9200/9200
Kota	9150

Soy meal vessel report (21.07.05)

Jamnagar Port is loading 8,000 MT of SBM to Bangkok on the vessel 'Thor Sky'. JM Baxi agents is handling the vessel.

Loading of 2,300 MT of SBM is expected at Mumbai Port on the vessel 'Indruva Valley'. Sai Freight agents will be handling the vessel.

NCDEX Soy meal Futures price (21st July)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	9250.00	9250.00	9250.00	9250.00	0.00
Sep	9400.00	0.00	0.00	9400.00	0.00

Rape/ Mustard meal

Continuing the firmness that is being seen for the last few days the prices of the rape meal prices today also remained firm in the major markets. The demand from the millers and traders are keeping the market in a tight situation. The chance of a significant decline is not likely at presently.

In Shivpuri/ Morena, rates remained at Rs 4600 per MT; Kota & Barah at Rs. 4400 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 **53,975** tons of rapemeal in June 2005 as compared to 45,575 in June 2004.

Groundnut meal

Groundnut sowing is still down by 23 per cent in the groundnut-sowing belt of Gujarat. The main reason was due to late and heavy rainfalls, which have affected the sowing progress. This might put pressure on the production output. Today the market remained dull at major markets. The price trend is expected to remain so.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6450 - 6220 for 40% protein and at Dhulia market it was quoted at Rs. 8100 -8200for 42 per cent protein while at the Nanded market the arrival.

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 **8,900 MT** groundnutmeal in June 2005 as compared to 30,475 MT in June 2004.

INTERNATIONAL MARKET

CBOT Soymeal Recovers Late

Soybean futures at the Chicago Board of Trade ended moderately higher on Wednesday, managing to gain some of the earlier losses due to moderate weather forecasts. Soymeal futures ended higher across the board, reversing their earlier declines and keeping pace with the recovery in soybeans. Technical and commercial buying served as the main fundamental factor for the recovery in both markets.

August soymeal settled \$2.90 higher at \$217.00 a short ton, and August soyoil ended 27 points higher at 24.73 cent a pound.

Futures were under pressure for most of the day due to selling pressure due to concerns that the rains are moving through the Midwest and traders were expecting that it will offset some the effects of the stressful weekend heat. But private weather forecasters during the midday predicted that conditions would not be as cool and wet next week as previously forecasted which created late buying interest.

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

CBOT Soymeal Futures as on 20th July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	214.1	210.5	217.5	210.0	2.9	217.0
Oct'05	214.3	210.0	217.0	209.5	2.4	216.7

CBOT remained closed on Saturday and Sunday

China: Soymeal & Rape meal Remained Firm; Economic Growth

The Chinese soymeal market remained stable in most of the markets. The procurement prices for local produced soybean and the distribution of prices for imported soybean at major ports remained stable. The rape meal market and the rapeseed market remained stable for most of the day.

The Consumer Price Index increased by 2.3% in the first half in China and the urban residents income also rose by 9.5 %. The Chinese GDP grew by 9.5 % in the first half and the figures show that economic measures have paid off. The government is expecting that the trade surplus is likely to continue.

Indonesia confirmed the first human death linked to bird flu and this might affect the poultry industry and which in turn might pressurize the soymeal prices.

In overseas markets, soybean futures on the Dalian Commodity Exchange settled sharply lower in active trading Wednesday, following an overnight slump in CBOT soybean futures triggered by heavy speculative selling. Long liquidation was widespread on the most widely held November soybean contract, which lost CNY72 to settle at CNY2,941 a metric ton, after trading between CNY2,915 and CNY2,964/ton.

NEWS ANALYSIS

China's Soybean Imports on the Rise Amidst Declining Production

China imported 12.01 million tonnes of soybeans in the first half of 2005, up 33.6% on year, China's customs department said last week. However, the Customs General Administration did not provide import data for the month of June. But, earlier data from the customs department shows the country imported 9.35 million tonnes of soybeans in the January to May period, indicating that imports in June totaled 2.66 million tonnes, up sharply from 1.46 million tonnes in June 2004.

US Soybean Crop Projected Lower at 78.7 MT for 2005-06

U.S. Soybean production is projected to be 78.7 million tonnes, reflecting the decreased planted and harvested area in the June acreage projections, according to the

latest report from USDA. U.S. soybean stocks for 2005-06 could reach 5.72 million tonnes reflecting reduced supplies and higher projected use. U.S. soybean crush for 2004-05 could reach 46 million tonnes, reflecting stronger-than-expected growth in domestic soybean meal use through the third quarter of the marketing year, USDA said. Supply estimates and reported use through May coupled with the June 1 stocks estimate indicate a higher residual for 2004-05. Ending stocks for 2004-05 are projected to be 7.89 million tonnes.

WEATHER WATCH: (21.07.05)

Forecast valid for next 72 hours

North: Rain/thundershowers likely at many places over Uttaranchal and Himachal Pradesh, at a few places in East Uttar Pradesh and isolated in the rest region.

East: Rain/thundershowers likely at many places over Northeastern States, Bihar, Orissa and West Bengal & Sikkim, at a few places in the rest of the region outside East Madhya Pradesh and Chattisgarh where it may be isolated.

South: Rain/thundershowers likely at many places in Andaman and Nicobar Islands, Lakshadweep, Coastal Karnataka and Kerala; at a few places over Interior Karnataka and isolated in the rest region.

West: Rain/thundershowers likely at many places over Konkan & Goa and Madhya Maharashtra; at a few places over Marathwada and isolated in the rest region.

Warning

Heavy to very heavy rainfall likely at isolated places over Konkan and Goa and Coastal Karnataka. Isolated heavy rainfall also likely over Sub-Himalayan West Bengal & Sikkim and Northeastern States

Outlook for subsequent two days based

Ongoing rainfall activity over Northeastern States, Bihar, Sub-Himalayan West Bengal & Sikkim is likely to decrease. It may enhance along West coast of India.

Ongoing rainfall activity over is likely to increase along West coast of India.

Rainfall activity likely to increase over Gangetic West Bengal, Orissa and north coastal Andhra Pradesh.

Forex Rates (21.07.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.51
European Union	Euro	52.84

Export of Oilmeal

COMMODITY WISE

India's oil meal exports of April - June '05 (compared to comparative period of previous year 2004-05)

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)
June 2005	115,750 (94,500)	53,975 (45,575)	8,900 (30,475)	12,675 (5,800)	20,225 (6,200)	211,525 (182,550)
TOTAL	371,100 (739,425)	214,525 (242,450)	24,875 (90,025)	19,550 (5,800)	88,225 (6,200)	718,275 (1,083,900)
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	MUMBAI	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)
June 2005	8,600 (39,300)	45,625 (70,925)	---	120,650 (59,475)	29,900 (---)	6,750 (12,850)	---	---	211,525 (182,550)
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)

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