

OILMEAL

4th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Showing Firm Correction
- Bird Flu in Qinghai Under Control
- USDA Export Sales Highlights, June 17 - 23, 2005

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market is showing some firm trading during the day. Moreover, at NCDEX the July contract showed some positive trading and the market opened on a higher note but later on during the closing session the market slowed down but ended the higher side. The market is showing some bullishness and the market is expected to maintain the tone. Soymeal future is likely to remain range bound with some bullishness. The monsoon is to be watched.

Plant delivery quotes of Soy seeds remained in the range of Rs 1280 - 1290 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 9700 - 9900 per MT in Kandla in jute bags, FAS has been put at \$ 226 - 228 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	9000-9400
Satna/Morena	-
Javra/ Mandsore	-
Nanded	9000-9200
Nagpur (42-43%)	-
Latur	9200
Sangli	8900
Dhulia/Jalna	9300-9000
Kota	9300

Soy meal vessel report

Kandla Port is expecting 'Devon' to load 15,000 MT of SBM to Japan. The vessel will be handled by Taurus agents. Another vessel, 'Thor Skipper' is expected at the port to load 12,700 MT of SBM to Indonesia. Interocean agents will be handling the vessel.

Loading of 2,200 MT of SBM is expected at Mumbai Port on the vessel 'Merco Yala'. Sai Shipping agents will be handling the vessel.

NCDEX Soy meal Futures price (4th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9125.00	9175.00	9140.00	9155.00	+30.00
Aug	9279.00	9330.00	9280.00	9280.00	+01.00

Rape/ Mustard meal

The rapemeal cash market maintained the steady prices of last week. The demand in the market remained firm today. The market is expected to stay range bound but the arrivals are being affected by the monsoon. The farmers are facing storage problem and this may put pressure on the market.

In Shivpuri/ Morena, rates remained at Rs 4500 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 **69,650** tons of rapemeal in May 2005 as compared to 100, 875 in May 2004.

Groundnut meal

The groundnut meal domestic market remained at a firm level and maintained the strength of last week. The trading is expected to remain firm for the time being. The sowing progress is in good swing but might be hampered in Gujarat due to floods.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6500 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** groundnutmeal in May 2005 as compared to 44,750 MT in May 2004.

INTERNATIONAL MARKET

CBOT: Commentary will be available on Wednesday, as CBOT will remain closed till Monday due to Independence Day Holiday.

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

CBOT Soymeal Futures as on 1st July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	207.0	209.5	210.0	206.7	2.5	209.5
Aug'05	207.3	210.1	210.5	207.0	3.2	210.5

CBOT remained closed on Saturday and Sunday

China: Soymeal Prices Steady

The Chinese soymeal market showed a steady tone in most market except a rise of RBM 20/MT in Jiangsu while tradable prices prevailed in places like Liaoning and Shandong. The rapemeal market maintained the firmness. The procurement prices for local produced soybean was lower by RMB 10 -20/MT in Harbin and the distribution prices remained stable for imported soybean at major ports. The bird flu in Qinghai is under control and no casualties to human and poultry has been reported. The heat and drought has swept many parts of China in the recent few days.

Soybean futures traded on the Dalian Commodity Exchange settled mostly lower for the seventh straight trading day Friday, following an overnight fall in CBOT soybeans. The benchmark September soybean contract fell CNY17 a ton to settle at CNY2,942/ton, after trading between CNY2,928 and CNY2,966/ton. It has lost CNY278/ton since June 22.

NEWS ANALYSIS

Bird Flu in Qinghai Under Control

The Chinese Ministry of Agriculture said that on Friday that the bird flu outbreak in Qinghai Province in northwestern China has been brought under control. The number of migrant birds killed by the disease has dropped to about 20

a day since June 8. Thus far, more than 6,000 migratory birds have died since the disease was reported on May 4.

The governments at all levels in China are giving great importance to the prevention and control of bird flu and related departments have taken many measures to prevent the disease. Since the bird flu outbreak was reported in Qinghai, the local government has done a lot to prevent the epidemic from spreading, in fact no fowl or human beings have been infected so far.

China has provided five viral strains to the World Health Organization (WHO) since bird flu cases were reported in the country last year.

In late May, more than 1,000 wild birds, including geese and gulls, were killed by the H5N1 flu strain in Qinghai. In Asia, at least 54 people have died so far this year after being infected by sick birds.

USDA Export Sales Highlights, June 17 - 23, 2005

Soybean Cake and Meal: Net sales of 177,500 MT were 62 percent above the previous week and two and one-third times the prior 4-week average. Increases for the Philippines (70,100 MT, including 44,000 MT late reporting of which 40,000 MT was switched from unknown destinations), Japan (60,900 MT), the Dominican Republic (20,000 MT), and Guatemala (17,900 MT) were partially offset by decreases for unknown destinations (34,000 MT). Exports of 195,800 MT were much improved from the previous week and double the prior 4-week average. The primary destinations were the Philippines (70,400 MT, including 44,000 MT late reporting), Japan (33,600 MT), Mexico (21,300 MT), Canada (18,900 MT), Cuba (15,000 MT), and Honduras (11,000 MT).

WEATHER WATCH:

Rain/thundershowers likely at most places in east Madhya Pradesh and at many places over the rest region outside Jharkhand and interior Orissa where it may be at a few places. Rain/thundershowers likely at most places over Konkan & Goa and west Madhya Pradesh, at many places over rest of the region outside west Rajasthan and Saurashtra & Kutch where it may be at a few places.

Outlook for subsequent two days: Ongoing rainfall activity over central parts of the country is likely to continue and may extend to northwestern parts of the country. The heavy rainfall activity over Gujarat state is likely to decrease further. Rainfall activity over gangetic West Bengal is likely to increase.

Warning

Heavy to very heavy rainfall likely at a few places over east Rajasthan and Madhya Pradesh. Isolated heavy rainfall also likely over west Uttar Pradesh, Haryana, Himachal Pradesh, Uttarakhand, Gujarat region, Konkan & Goa, madhya Maharashtra, Kerala and Andaman & Nicobar Islands.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	51.95

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

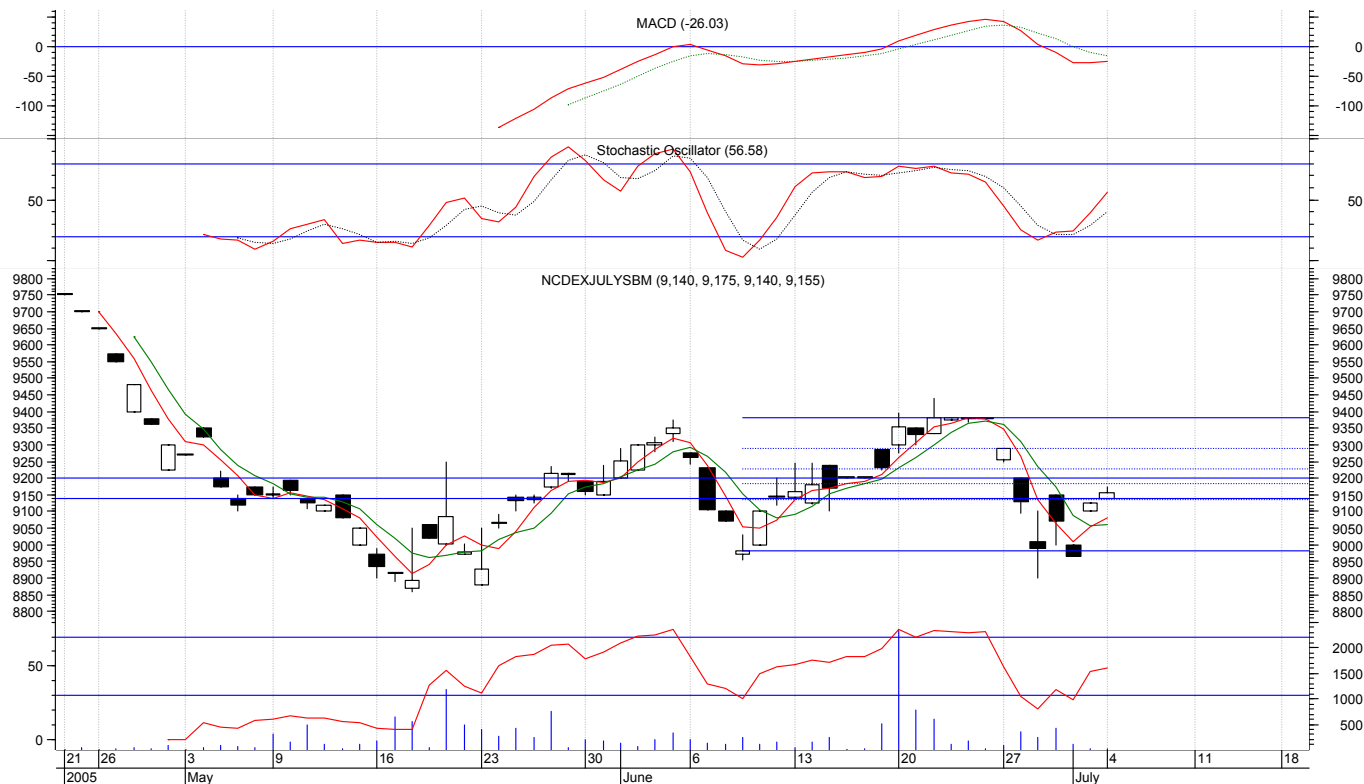
PORTWISE

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

July 04, 2005

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



Candlesticks: The candlestick pattern is showing bullishness. There was low trading during the day. The market is expected to open firm and improve further in the morning session. However, the resistance and support level will be at 9200 and 9140 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 correction and is showing a movement towards the EMA. However, both are in the negative territory.

Stochastic: The %K-line has cut the % D -line from below and the per cent K line have come out of the over sold condition and moving upward.

All the indicators are showing a firm movement in the market and the prices are expected to move ahead.

Recommendation: The prices will remain range bound with some upward movement. The market is bullish for the time.

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