

OILMEAL

6th July 2005

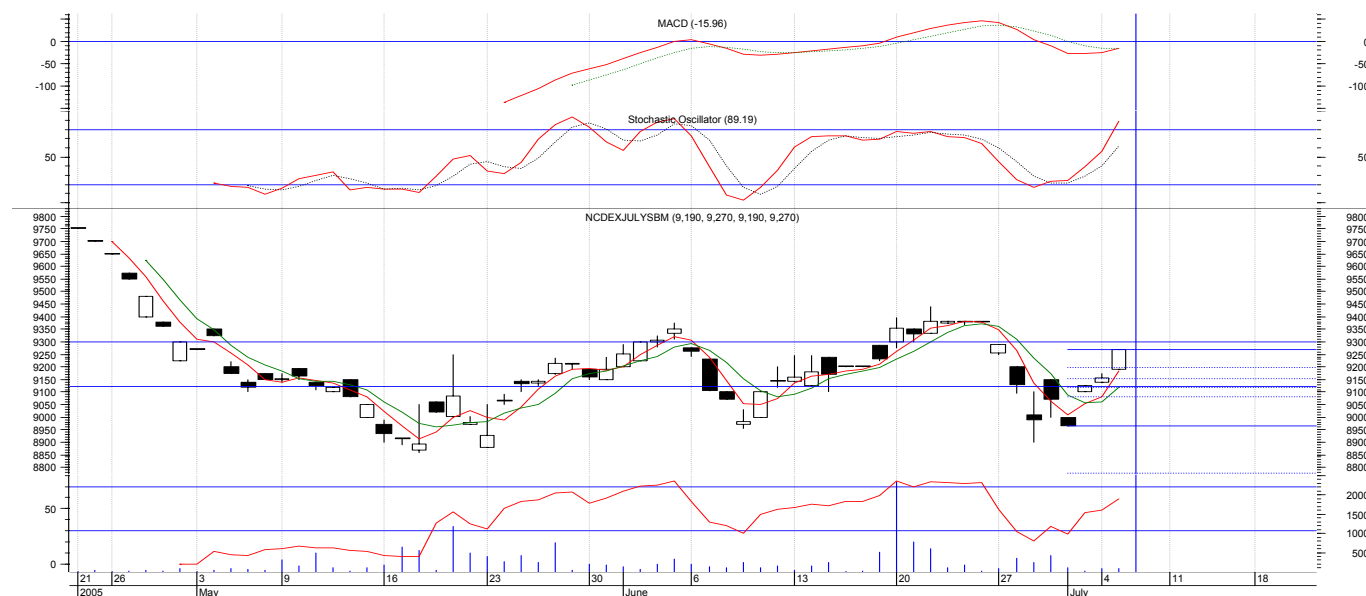
MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Future Market Showed Bullishness
- CBOT Soymeal Soars On Spec Buying; Weather Concerns
- Oilmeal Exports Dropped by 54% in April
- Sowing Progress of Oilseeds

TECHNICAL ANALYSIS

July 06, 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. However, the resistance and support level will be at 9300 and 9120 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. The percent K line have crossed the overbought condition but the per cent D - line is yet to cross the line.

All the indicators are showing a firm movement in the market but some correction is expected after some upward movement.

Recommendation: The prices will remain range bound with some upward movement but during the later period may finish on the lower side. The market is bullish for the time.

COMMENTARY

DOMESTIC MARKET

Soy meal

The cash market remained weak as the traders remained away from the market. However, at NCDEX the July contract showed some bullishness during the day long trade. The rains are affecting the arrivals. The CBOT contract ended on a higher note on Tuesday due to speculative buying and dry weather concern. Soy meal future is likely to remain range bound with some bullishness.

Plant delivery quotes of Soy seeds remained in the range of Rs 1300 per qtl in Indore while soy meal in physical market has been offered at Rs 9400 per MT, as per quality. FOR quotes remained at Rs 9700 - 9800 per MT in Kandla in jute bags, FAS has been put at \$ 226 - 228 per MT.

India's soy meal 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	9400
Satna/Morena	-
Javra/ Mandsore	-
Nanded	9100-9200
Nagpur (42-43%)	9000
Latur	9200
Sangli	-
Dhulia/Jalna	9400-9100
Kota	9300-9400

Soy meal vessel report

Kandla Port is loading 15,000 MT of SBM on the vessel 'Devon' to Japan. The vessel is being handled by Taurus agents. Another vessel, 'Thor Skipper' has berthed at the port and continues to load 12,700 MT of SBM to Indonesia. Interocean agents is handling the vessel. Loading of 6,800 MT of SBM is expected at the port on the vessel 'Stella M' to Egypt. Universal agents will be handling the vessel.

Loading of 2,200 MT of SBM is continuing at Mumbai Port on the vessel 'Mercs Yala'. Sai Shipping agents is handling the vessel. 'Indruwa Valley' has berthed at Mumbai Port and continues to load 2,300 MT of SBM. Sai Freight agents is handling the vessel.

NCDEX Soy meal Futures price (6th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9155.00	9270.00	9190.00	9270.00	+115.00
Aug	9407.00	9450.00	9315.00	9450.00	+43.00

Rape/ Mustard meal

The rapemeal cash market showed some firm trading during the daylong trade at major market places. The demand in the market remained firm today. 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 4550 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 is being hampered in Gujarat due to floods and the market is under pressure.

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** groundnut meal in May 2005 as compared to 44,750 MT in May 2004.

INTERNATIONAL MARKET

CBOT Soy meal Soars On Spec Buying; Weather Concerns

Soybean futures at the Chicago Board of Trade ended sharply higher on Tuesday, moving up to its 50 cent upper daily trading limit, with speculative buying and weather concerns boosting the bullish tone. Soyproduct futures followed the soybeans, reversing back from last week's heavy losses on speculative buying. The market lacked any fresh fundamental influences. Domestic demand for soy meal continues to provide underlying support.

August soy meal settled \$11.00 higher at \$221.50 a short ton, and August soy oil ended 116 points higher at 25.39 cent a pound.

The market's strength was half weather related, while the other half was purely technical. Mainly due to excessive selling in the market the prices showed a reversal. Dry weather outlooks for the next five-days in the Midwest along with worries that tropical storm could bring Asian rust spores closer to Midwest growing areas was pushing the market.

Meanwhile, weekly soybean export inspections totaled 4.857 million bushels, down from 5.210 million last week, the U.S. Department of Agriculture reported. This was below the range of expectations for 5 million to 8 million bushels.

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

CBOT Soymeal Futures as on 5th July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	207.0	209.5	224.8	206.7	13.8	220.8
Aug'05	210.5	216.0	2210	216.0	11	221.5

CBOT remained closed on Saturday and Sunday

China: Soymeal Prices Moved Ahead

The Chinese soymeal market showed a steady upward tone of RBM 30-70/MT in most markets. The procurement prices for local produced soybean and the distribution prices for imported soybean at major ports remained stable. The trading was about 67830 MT in soybean. The rapemeal market maintained the firmness but in the near future it is expected to move ahead. The bird flu in Qinghai is under control and no casualties to human and poultry has been reported but UN has urged the government to take necessary steps. Further, flood may arrive in the month of July in China.

NEWS ANALYSIS

Oilmeal Exports Dropped by 54% in April

Low activity in soybean crushing, caused by poor arrival of the oilseed in the mandis of Madhya Pradesh for the past couple of months, has put some pressure on the availability of soymeal exports.

After meeting domestic demand against its low supply, particularly in the largest soybean producing state of Madhya Pradesh, the oilmeal trade exported just 99,250 tonnes of soymeal in April '05, down 73% from the last year's 366,625 tonnes. Since soymeal accounts for 70% of the country's total oilmeal exports, such a sharp drop in its exports has pushed down the country's total oilmeal exports in the month by 54% to 220,900 tonnes from 366,625 tonnes in the same month last year.

Sowing Progress of Oilseeds

Kharif sowing is down 73 per cent at 1.4 million hectares compared with 5.1 million hectares last year. This year shortfall is largely due to delayed monsoon. However, agriculture ministry still considers this year's sowing, till date, to be 9 per cent above normal. Groundnut sowing is down 63 per cent to 838,000 hectares compared to 2.3

million hectares last year. Delayed rains also held up sowing. Currently, sowing has been stopped in the groundnut growing regions of Gujarat due to flood. But, the agriculture ministry is yet to assess the damage to the earlier sown regions in the state that may have been caused by floods. Soybean sowing is down 87 per cent at 245,000 hectares compared with 1.9 million hectares last year. This is largely due to intermittent rains in the sowing regions, which is largely rainfed. Sowing is likely to pick up this week as IMD has forecasted that current monsoon will strengthen in the region. Sunflower sowing is down 63 per cent at 138,000 hectares, sesamum down 70 per cent at 140,000 hectares, niger seed down 81 per cent at 3,000 hectares and castor seed down 33 per cent at 28,000 hectares.

WEATHER WATCH:

North: Rain/thundershowers likely at most places over west Uttar Pradesh, Uttaranchal, Haryana including Chandigarh & Delhi and Himachal Pradesh; at many places in the rest region.

East: Rain/thundershowers likely at many places in the region with increase in rainfall activity over gangetic West Bengal & Orissa and decrease over northeastern states on 7th & 8th July.

South: Rain/thundershowers likely at many places over Andaman & Nicobar Islands, coastal Karnataka and Kerala and at few places in the rest region outside Tamil Nadu & Pondicherry where it may be isolated.

West: Rain/thundershowers likely at most places over east Rajasthan, Konkan & Goa and west Madhya Pradesh, at many places over rest of the region outside Gujarat state, Marathawada and Vidarbha where it may be at a few places.

Outlook for subsequent two days based on NCMRWF and other numerical weather products: Rainfall activity over peninsular India including Maharashtra is likely to increase. Rainfall activity over western Himalayan region likely to decrease.

Warning

Heavy to very heavy rainfall likely at a few places over west Madhya Pradesh, west Uttar Pradesh, Himachal Pradesh, Uttaranchal, Haryana including Chandigarh & Delhi and east Rajasthan. Isolated heavy rainfall also likely over West Bengal & Sikkim, Orissa, Punjab, Jammu & Kashmir, Konkan & Goa, coastal Karnataka and Kerala.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.57
European Union	Euro	52.05

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)

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.