

OILMEAL

17th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Remained Stable
- CBOT Soymeal Futures Remained Higher
- Latest Weather Watch Report

COMMENTARY

DOMESTIC MARKET

Soy meal

The market sentiment for soymeal witnessed a range bound with slight weak undertone in most of the places today as compared to last day, whereas Kandla, Mumbai and Vizag showed almost unchanged position today. The main factor behind this sentiment is mainly for lack of demand from poultry industry and also poor global demand. The futures market at the NCDEX showed abrupt downfall today as against of previous day.

Plant delivery quotes of Soy seeds remained unchanged position today as compared to last day and traded at Rs 1200 per qtl in Indore while soymeal in physical market has been offered at 8500-9100 per MT, as per quality. FOR quotes remained at Rs 9200-9300 per MT in Kandla in jute bags, FAS has been put at \$ 221-222 per MT.

India's soymeal exports totalled **135,550** tons in June 2005 compared with 19,250 tons in June 2004.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	16.08.05	17.08.05
Indore	8800-9100	8500-9100
Satna/Morena	8600-8650	8650
Nanded	8750-8900	8800
Nagpur (42-43%)	8850-8900	8700-8800
Latur	8750-8800	8800
Sangli	-	-
Dhulia/Jalna	8850-9050	8800-9100
Kota	8800	8850
Kandla	9300	9300
Mumbai	9550	9550
Vizag	9500	9500

Soy Meal Vessel Report (17.08.05)

Mumbai Port is expecting 'Asha Ashik' to load 10,000 MT of SBM. Astral Freight agents will be handling the vessel. Another vessel, 'Indruwa Valley' is expected at the port to deliver 2,500 MT of SBM. Sai Freight agents will be handling the vessel.

NCDEX Soy meal Futures price (17th August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8593.00	8400.00	8100.00	8100.00	-493.00
Sep	8620.00	8690.00	8335.00	8335.00	-285.00

Rape/ Mustard meal

Rapeseed/mustard meal market also showed a range bound with weak undertone today as against of last week. The market demand was poor. The demand in the market is expected to be firm and continue the trend in the coming week.

In Shivpuri/ Morena, it was traded at Rs.4550 per MT; Kota at Rs.4400 & Barah at Rs. 4350 per MT, which was remained range bound with slight weak undertone from previous day.

India exported **45,750** tons of rapemeal in June 2005 as compared to 54,400 in June 2004.

Groundnut meal

The groundnut meal market did not show any remarkable change today. The market remained almost same today as against of previous day. In the coming days the prices may remain within the range and later on will be better off.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6450 for 40% protein and at Dhulia market there was no trading for today.

India exported around **17,700 MT** groundnut meals in June 2005 as compared to 2,300 MT in June 2004.

INTERNATIONAL MARKET

CBOT Soymeal Futures Remained Higher

Soymeal futures at the Chicago Board of Trade (CBOT) remained up holding onto moderate gains throughout the session. The soybean futures also showed upward trend on Tuesday along with soymeal. A minor technical correction from Monday's heavy selling spree was seen as the supportive feature of the day, traders said. November soybeans ended 5.25 cents higher at \$6.25, December soymeal settled \$1.60 higher at \$194.80 a short ton, and December soyoil ended 5 points higher at 22.52 cents a pound.

Soyoil futures ended marginally higher, attempting to keep pace with the firm tone flowing through the soy complex. However, the market lost ground to soymeal, with meal/oil spreading keeping upside potential under wraps amid the absence of any aggressive commercial or speculative interest, according to the traders. December oil share slipped to 36.63%, and the November/December crush was at 51.25 cents.

In soymeal trades, buying was scattered among various firms, while Cargill Investor Services, O'Connor and Refco each sold 300 December. In soyoil trades, ADM Investor Services, Term Commodities, Cargill, Bunge and ABN Amro were each light buyers of December, with Man Financial, Rand Financial and Refco each buying 200 December. Citigroup sold 300 December, and Calyon Financial and Refco each sold 200 December, with scattered selling reported from various firms.

CBOT Soymeal Futures as on 16th August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	191.6	192.0	194.7	191.6	1.1	192.7
Oct'05	191.5	192.0	195.0	192.0	1.3	192.8

CBOT remained closed on Saturday and Sunday

NEWS ANALYSIS

India Exports 15,000MT Soymeal to NOFI of S. Korea

It was reported that South Korea's Nonghyup Feed Inc., or NOFI, bought 15,000 metric tons of Indian soymeal from trading firm Noble Group Ltd. (N21.SG) in a tender concluded Thursday, according to a Seoul-based trader. NOFI bought one cargo of soymeal at \$258.50/ton, after cost and freight, scheduled to arrive in South Korea Dec. 20, the trader said.

Decline in Soymeal Prices Helped the Poultry Industry in Malaysia

Having been hit hard by SARS in 2003 and bird flu outbreaks in 2004, business is finally looking up for Malaysia's feed and poultry industries this year, an industry official said Monday. The poultry and feed industries have been doing well in the past eight months, according to Teh Wee Chye, managing director at Malayan Flour Mills Bhd (3662.KU), briefing Asian grain buyers at the second U.S.-Southeast Asia Agricultural Cooperators' Conference being

held here. Malayan Flour Mills is the country's third largest feed miller in terms of production. The rapid carrying on of poultry exports to neighboring Singapore and decrease in the prices of imported corn and soymeal have helped the local poultry and feed industry recover so far this year. Consumer sentiment has improved after Malaysia declared itself free of bird flu in July this year. Falling prices of grains and freight rates have helped feedmillers cut costs. Likewise, the Malaysian government's bid to transform the country into a halal food hub and boost domestic poultry production to reduce its food import bill are also likely to benefit the local poultry and feed industries, Teh said. The de-pegging of the Malaysian ringgit (to the U.S. dollar) will also assist in reducing the cost of raw material imports. Because of consumer preference in this largely Muslim country, consumption of chicken and duck eggs and meat accounts for 47% of total livestock consumption in Malaysia.

WEATHER WATCH: (17.08.05)

MAIN FEATURES

Yesterday's upper air cyclonic circulation over Jharkhand and adjoining Chhattisgarh now lies over Jharkhand and adjoining southeast Uttar Pradesh extending upto mid tropospheric levels tilting southwestwards with height. The system is likely to move slowly in a northwesterly direction and may cause fairly widespread rainfall with isolated heavy falls over north Madhya Pradesh and south Uttar Pradesh during next 2-3 days.

The upper air cyclonic circulation over central Pakistan and neighbourhood persists extending upto 1.5 km above sea level.

The upper air cyclonic circulation extending between 2.1 & 4.5 km above sea level over Gujarat & neighbourhood now lies between 1.5 & 5.8 km above sea level.

The axis of monsoon passes through Ferozepur, Delhi, Kanpur, Allahabad, Digha and thence southwards into central Bay of Bengal. Under this scenario, scattered to fairly widespread rainfall activity is also likely over Punjab, Haryana, Delhi, Uttaranchal, Himachal Pradesh, Jammu and Kashmir and West Uttar Pradesh during next 2 days.

FORECAST VALID 0830 HOURS IST OF 20th AUGUST, 2005

NORTH : Rain/thundershowers likely at many places in the region.

EAST : Rain/thundershowers likely at many places over Jharkhand, Chhattisgarh and East Madhya Pradesh and at a few places over the rest region.

SOUTH : Rain/thundershowers likely at many places over Coastal Karnataka; at a few places in the rest region outside South Tamil Nadu where it may be isolated.

WEST : Rain/thundershowers likely at many places over West Madhya Pradesh, Gujarat Region, East Rajasthan, Konkan & Goa, Madhya Maharashtra and at a few places in the rest region.

WARNING

Isolated heavy rainfall likely over Madhya Pradesh, Chhattisgarh, Jammu division of Jammu & Kashmir,

Uttaranchal, Haryana, Himachal Pradesh, East Rajasthan, Gujarat Region, Konkan & Goa and Madhya Maharashtra.

OUTLOOK for subsequent two days based on NCMRWF and other numerical weather products:
Increased rainfall activity likely to continue over central India. It may decrease over northwest India.

FOREX RATES (17.08.05)

Country/ Continent	Currency	Value in Rupees
SA	Dollar	43.54
European Union	Euro	53.58

Export of Oilmeal

COMMODITY WISE

India's oil meal exports of April - July '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)
July 2005	135,550 (19,250)	45,750 (54,400)	17,700 (2,300)	16,500 (---)	--- (---)	11,525 (---)
TOTAL	506,650 (758,675)	260,275 (296,850)	42,575 (92,325)	36,050 (5,800)	--- (---)	99,750 (6,200)
2004-05	1,861,325	588,805	121,475	43,056	---	70,750
2003-04	2,683,675	447,050	126,750	---	---	65,550
2002-03	1,333,318	455,533	15,225	---	---	92,445
2001-02	2,509,207	313,012	101,001	---	---	97,557
2000-01	2,182,142	62,968	18,609	---	---	10,992
1999-00 (F.Y)	2,249,505	79,874	1,808	---	3,918	93,365

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	MUMBAI	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)
June 2005	8,600 (39,300)	45,625 (70,925)	--- (---)	120,650 (59,475)	29,900 (---)	6,750 (12,850)	--- (---)	--- (---)	211,525 (182,550)
July 2005	21,400 (6,300)	41,050 (17,250)	--- (---)	118,250 (52,400)	29,825 (---)	16,500 (---)	--- (---)	--- (---)	227,025 (75,950)
TOTAL	75,675 (222,725)	178,250 (251,600)	--- (46,925)	554,500 (503,325)	106,000 (80,525)	30,125 (29,350)	750 (---)	--- (25,400)	945,300 (1,159,650)

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