

OILMEAL

27th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Remained Mixed
- CBOT Soymeal Higher on Speculative Buying

COMMENTARY

DOMESTIC MARKET

Soy meal

The market sentiment for soymeal remained mixed at domestic spot market today as compared to previous day. The market-governing factor was less demand from poultry industry, no export situation and stable demand etc. The new crop will hit the market at October-November. The September contract at the NCDEX remained poor today as compared to last day, where as October contract remained strong.

Plant delivery quotes of Soy seeds witnessed slight weak today as compared to last day and traded at Rs 1255 per qtl in Indore while soymeal in physical market has been traded at range bound with stable price of Rs.8400-8850 per MT, as per quality. FOR quotes remained at Rs 9200-9250 per MT in Kandla in jute bags, FAS has been put at \$ 213-214 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)	
	27.08.05	26.08.05
Indore	8400-8850	8500-8550
Satna/Morena	8600	8600
Nanded	8600-8700	8650-8700
Nagpur (42-43%)	8600	8700
Latur	8700	8650-8700
Sangli	-	-
Dhulia/Jalna	8600-8800	8600
Kota	8600-8700	8600-8650
Kandla	9200	9200
Mumbai	9300	9300
Vizag	9200	9200

Soy Meal Vessel Report (26.08.05)

'Indruwa Valley' has berthed at Mumbai Port and continues to load 2,500 MT of SBM. Sai Freight agents is handling the vessel.

Kandla Port is loading 13,600 MT of SBM to Japan on the vessel 'IKI'. The vessel is being handled by JM Baxi

agents. 'An Guang Jiang' has berthed at Kandla Port and continues to load 12,200 MT of SBM to Japan. Shantilal agents is handling the vessel. Loading of 11,000 MT of SBM is expected at Kandla Port on the vessel 'Jat Na Mu' to Vietnam. Interocean agents is handling the vessel.

NCDEX Soy meal Futures price (28th August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sept'05	8589.00	8449.00	8300.00	8449.00	-140
Oct'05	8700.00	8746.00	8300.00	8746.00	+46

Rape/ Mustard meal

Today, the rapeseed/mustard meal market continued its range bound with stable sentiment as compared to last day amid stable demand from the market. However the demand from poultry industry remained poor but promising demand from cattle and dairy industry, moderate domestic demand etc. The demand in the market is expected to be stable and continue the trend in the coming week.

In Shivpuri/ Morena, it was traded at Rs.4550 per MT; Kota at Rs.4450 & Barah at Rs. 4500 per MT, which was remained range bound with stable undertone from previous day.

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

Groundnut meal

Today the groundnut meal market remained almost unchanged with stable demand today as compared to last day. According to the traders, the new kharif crop will hit the market in November and production is expected to be good. In the coming days the prices may remain within the range and later on will be comfortable.

In Rajkot, the GN extraction has been quoted at Rs 5650/ MT for 40% protein at stable position and in Dhulia it remained at Rs.7750/MT.

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

INTERNATIONAL MARKET

CBOT Soymeal Higher on Speculative Buying

Soy-product futures on the Chicago Board of Trade (CBOT) closed modestly higher amidst light trade, choppy session, with both soymeal and soyoil futures finding stability along with consolidation mode in soybeans. However, the weight of higher-than-expected stocks in Thursday's Census Crush report managed to limit upside potential for both markets. Soybean futures ended moderately higher Friday, performance a modest bounce off Thursday's lows, with rumblings of Chinese demand underpinning prices. November soybeans ended 4.25 cents higher at \$6.02 per bushel; December soymeal settled \$0.50 higher at \$186.70 a short ton, while December soyoil ended 6 points higher at 22.38 cent a pound.

However, rumors of China buying up to five cargoes of U.S. soybean supplies provided light support in a thinly traded market. Cash-connected traders said firm basis levels at the Louisiana Gulf fed the rumors of export demand.

In other news, Pro Farmer on Friday estimated the 2005-06 U.S. soybean crop at 2.783 billion bushels, with a yield at 38.5 bushels per acre. The 2005-06 estimates released Friday are from Pro Farmer and are in no way associated with the John Deere/Pro Farmer Midwest crop tour or its participants.

In soymeal trades, Term Commodities, Cargill and Rand Financial were light buyers. FCStone sold 400 December, Cargill sold 300 December, and Citigroup and Fimat each sold 100 December.

CBOT Soymeal Futures as on 26th August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	183.7	184.0	184.5	183.0	0	183.7
Oct'05	184.3	184.3	185.3	183.8	0.5	184.8

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (27.08.05)

MAIN FEATURES

The monsoon trough continues to lie close to the foothills of Himalayas. Moderate rainfall with isolated heavy falls over northeastern States and Sub-Himalayan West Bengal & Sikkim is likely to continue for another 2-3 days. Subdued

rainfall activity will continue over northwest and central India.

A fresh upper air cyclonic circulation extending between 1.5 & 4.5 km above sea level formed over Tamil Nadu & neighbourhood. This is likely to cause moderate rainfall activity over south Peninsula during next 48 hours.

Another upper air cyclonic circulation extending between 2.1 to 4.5 km above sea level lies over Gujarat & neighbourhood.

A western disturbance as an upper air cyclonic circulation extending upto 2.1 km above sea level lies over north Pakistan and adjoining Jammu & Kashmir.

Yesterday's upper air cyclonic circulation over central parts of Bay of Bengal in the mid tropospheric levels has become less marked.

FORECAST VALID FOR NEXT 72 HOURS

NORTH : Rain/thundershowers likely **at a few places** over Himachal Pradesh, Uttaranchal and Jammu & Kashmir and **isolated** over Punjab. **Mainly dry** weather in the rest region.

EAST : Rain/thundershowers likely **at many places** over northeastern states, West Bengal & Sikkim and **isolated** in the rest region outside East Madhya Pradesh and Chhattisgarh where weather will be mainly dry.

SOUTH : Rain/thundershowers likely **at many places** over Andaman & Nicobar Island and Tamil Nadu & Pondicherry; **at a few places** over South Interior Karnataka and Kerala and **isolated** over the rest region.

WEST : Rain/thundershowers likely **at a few places** over Konkan & Goa; and **isolated** in the rest region outside Rajasthan, West Madhya Pradesh, Marathwada and Vidarbha where weather may be **mainly dry**.

WARNING

Isolated heavy rainfall is likely over northeastern States and West Bengal & Sikkim.

OUTLOOK for subsequent two days based on NCMRWF and other numerical weather products

Subdued rainfall activity is likely to continue over northwest & westcentral India.

Moderate rainfall activity over south Peninsula is likely to continue.

FOREX RATES (27.08.05)

Country/ Continent	Currency	Value in Rupees
SA	Dollar	43.73
European Union	Euro	53.82

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