

OILMEAL

24th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Remained Mixed
- CBOT Soymeal Improved Further in Two-Sided Trade

COMMENTARY

DOMESTIC MARKET

Soy meal

The soymeal market price witnessed a mixed sentiment today. The market sentiment for soymeal remained higher at Nanded, Kota, Latur and Dhulia/Jalna, where as it remained at unchanged position at other places. The market-moving factor was less demand from poultry industry, no export situation etc. The new crop will hit the market at October-November. The futures market did not show any trading activity today at the NCDEX.

Plant delivery quotes of Soy seeds also remained weak today as compared to last day and traded at Rs 1250-1260 per qtl in Indore while soymeal in physical market has been traded at range bound with stable price of Rs.8500-8900 per MT, as per quality. FOR quotes remained at Rs 9300-9400 per MT in Kandla in jute bags, FAS has been put at \$ 217-218 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)	
	23.08.05	24.08.05
Indore	8600	8500-8900
Satna/Morena	8650	8600
Nanded	8700	8800
Nagpur (42-43%)	8500	8500
Latur	8700	8800
Sangli	-	-
Dhulia/Jalna	8600	8600-8900
Kota	8750	8800
Kandla	9400	9400
Mumbai	9500	9500
Vizag	9300	9300

Soy Meal Vessel Report (24.08.05)

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. The port

is expecting 'IKI' to load 13,600 MT of SBM to Japan. The vessel will be handled by JM Baxi agents.

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 (24th August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sept'05	8502.00	0.00	0.00	8502.00	0.00
Oct'05	8700.00	0.00	0.00	8700.00	0.00

Rape/ Mustard meal

The rapeseed/mustard meal market witnessed slight higher position today as compared to last day due as support from soymeal 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.4600 per MT; Kota at Rs.4500 & Barah at Rs. 4500 per MT, which was remained range bound with strong 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 market sentiment for groundnut meal remained almost unchanged today. According to the traders, the new 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.7500/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 Improved Further in Two-Sided Trade

Soymeal futures on Chicago Board of Trade (CBOT) witnessed higher, following the lead of soybeans in quiet trade, where as soybean futures also showed strong sentiment on Tuesday, extending their price recovery in quiet trade, with talk of Chinese buying interest and crop uncertainties underpinning prices. November soybeans ended 3.25 cents higher at \$6.205 a bushel, December soymeal settled \$0.50 higher at \$192.80 a short ton, while December soyoil ended 7 points higher at 22.81 cent a pound.

The other underlying support to prices was smaller-than-expected improvements in crop ratings from U.S. Department of Agriculture, as did talk of Chinese buying. However, the China buying should be taken with a grain of salt, amid reports of China being fully stocked with supplies.

Meanwhile, the DTN Meteorlogix weather forecast said some showers are in store for the Midwest during the last half of this week. Temperatures will be normal to a few degrees below normal before rise to near- to above-normal values during the balance of the week.

CBOT Soymeal Futures as on 23rd August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	189.9	192.8	192.8	189.3	0.1	190.0
Oct'05	189.9	193.0	193.0	189.4	0.6	190.5

CBOT remained closed on Saturday and Sunday

China Soymeal Futures Witnessed Lower

Soymeal futures on the Dalian exchange settled mostly lower, in line with soybeans on Tuesday. The benchmark November 2005 soymeal contract gave up CNY 6 to settle at CNY 2,462/ton, after trading between CNY 2,448 and CNY 2,477/ton. On the other hand Chinese soymeal prices moved further by RMB20/mt in Shandong and remained stable in other places today. It was also witnessed that deadly bird flu strain confirmed in Kazakh villages in China.

WEATHER WATCH: (24.08.05)

MAIN FEATURES

During past 24 hours fairly widespread rainfall with isolated heavy rain have occurred over Northeastern States, Sub-Himalayan West Bengal & Sikkim, Bihar and adjoining Nepal. Chief amounts: Cooch Behar-10, passighat-9,

Dibrugarh-7, Shillong-7, Behrampur & Bhagalpur -5 each and Jalpaiguri-4 cms.

Western end of the monsoon trough continued to lie in the foothills of Himalayas. The eastern end of the monsoon trough also moved northwards and now passes through Behraich, Patna, Berhampur and thence southeastwards into northeast Bay of Bengal.

Yesterday's upper air cyclonic circulation over southeast Uttar Pradesh and neighbourhood extending upto mid-tropospheric levels now lies over Sub-Himalayan West Bengal & Sikkim and adjoining Bihar and extends up to 3.1 km above sea level.

Under this scenario, enhanced rainfall activity over northeastern States, Sub-Himalayan West Bengal & Sikkim and Bihar is likely to continue for another 2 -3 days while it may reduce over East Uttar Pradesh after 24 hours.

Yesterday's upper air cyclonic circulation over Tamil Nadu & adjoining Kerala extending upto mid-tropospheric levels tilting southwestwards with height has moved westwards and now lies over Lakshadweep and extends between 3.1 and 4.5 km above sea level.

FORECAST VALID 0830 HOURS IST OF 27th AUGUST, 2005

NORTH : Rain/thundershowers likely **at many places** over East Uttar Pradesh; **at a few places** over Himachal Pradesh and Uttaranchal and **isolated** in the rest region. The rainfall over East Uttar Pradesh is likely to reduce after 25th.

EAST : Rain/thundershowers likely **at many places** over northeastern states, Bihar, Sub-Himalayan West Bengal & Sikkim and Jharkhand and **at a few places** in the rest region.

SOUTH : Rain/thundershowers likely **at a few places** over the region outside Interior Andhra Pradesh, Tamil Nadu and Kerala where it may be **isolated**.

WEST : Isolated rain/thundershowers likely in the region outside Rajasthan and Gujarat where weather may be **mainly dry**.

WARNING

Heavy to very heavy rainfall is likely at a few places in Bihar, northeastern States and Sub-Himalayan 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. Slight increase in rainfall activity over south Peninsula and Lakshadweep.

FOREX RATES (24.08.05)

Country/ Continent	Currency	Value in Rupees
SA	Dollar	43.72
European Union	Euro	53.23

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