

OILMEAL

1st September, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Witnessed Further Improvement
- CBOT: Soymeal Traded Bearishly

COMMENTARY DOMESTIC MARKET

Soy meal

The prices of soy meal continued the gain today also at the major spot markets. The improvement in the soybean prices is helping the prices for the soy meal to remain strong. The export demand is likely to go up in the coming days. At the NCDEX also the September contract is trading on the upper side.

Plant delivery quotes of Soy seeds witnessed slight weak today as compared to last day and traded at Rs 1275-80 per qtl in Indore while soymeal in physical market has been traded within a range of Rs.8400-8600 per MT, as per quality. FOR quotes remained at Rs 9300-9400 per MT in Kandla in jute bags, FAS has been put at \$ 215-217 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)	
	31.08.05	1.09.2005
Indore	8400-8600	8700
Satna/Morena	8600-8700	
Nanded	8700	8900
Nagpur (42-43%)	8700	8800-8300
Latur	8750	
Sangli	9200	9150
Dhulia/Jalna	8600	8700
Kota	8800-8900	8800-8850
Kandla	9200-9300	9400
Mumbai	9300	9500
Vizag	9200	9300

Soy Meal Vessel Report (01.09.05)

No vessel report.

NCDEX Soy meal Futures price (1st September'05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sept'05	8590.00	8600.00	8600.00	8600.00	+10.00
Oct'05	-	0.00	0.00	0.00	0.00

Rape/ Mustard meal

The market demand is expected to be stable with a strong undertone and this will continue in the coming week. The rapemeal market remained firm and is expected to gain further ground. However, the demand from poultry industry is to catch up and support the prices upward.

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 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

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. The market remained steady and the market is expected to get a boost in the coming days.

In Rajkot, the GN extraction has been quoted at Rs 6100-6300/ MT for 40% protein at stable position and in Dhulia it remained at Rs.7600/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 Traded Bearishly

Uncertainty as to when the export terminals at the gulf will re-open and fears that export demand will soon shift to South America pressured increased speculative selling.

Dryness in the Midwest supported the early bounce but the market could not shake the big deliveries and the fear that the ports will remain closed for an extended period of time, which will encourage end-users to shift to South America soybeans.

Fear of large beginning stocks, lack of exports and the start of harvest is all expected to pull down the prices.

In the export sales report, released before the opening, soybean sale is expected to come in near 600,000-900,000 tonnes, meal sales at 50,000-100,000 tonnes and oil sales near 2,000-8,000 tonnes.

The US soybean is expected to continue lower on Thursday evening amidst increased delivery pressure.

CBOT Soymeal Futures as on 31st August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	184.6	184.7	184.7	181.1	-2.2	182.4
Oct'05	185.6	186.0	186.6	182.5	-1.8	183.8

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (01.09.05)

Weather Forecast

The upper air cyclonic circulation extending between 2.1 to 4.5 km above sea level over Gujarat & neighbourhood has become less marked.

Forecast Valid For Next 72 Hours

NORTH: Mainly dry weather in the region.

WEST: Rain/thundershowers likely at a few places over Konkan & Goa and Madhya Maharashtra.

Warning

None.

Outlook For The Next Two Days

Moderate rainfall activity over south Peninsula and Northeastern States is likely to continue.

Mainly dry weather is likely over northwest of India.

Rainfall activity likely to increase over eastcentral and eastern India

Source: GOI (IMD & NCMRWF)

FOREX RATES (01.09.05)

Country/ Continent	Currency	Value In Rupees
SA	Dollar	44.12
European Union	Euro	54.38

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