

OILMEAL

4th September, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Expecting Further Improvement
- CBOT: Soymeal Futures Ended Lower Friday due to Pressured Selling

COMMENTARY DOMESTIC MARKET

Soy meal

Soy meal prices maintained a steady movement today at the major spot markets. In Indore the prices fell on rainfall in some parts. The market activities remained less today. At the NCDEX the contracts remained almost unchanged. The market is expecting some demand ahead in the domestic as well as from the abroad.

Plant delivery quotes of Soy seeds witnessed slight weak today as compared to last day and traded at Rs 1265-70 per qtl in Indore while soymeal in physical market has been traded within a range of Rs.8500-8700 per MT, as per quality. FOR quotes remained at Rs 9350-9450 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)	
	02.09.2005	03.09.2005
Indore	8700	8500-8700
Shivpuri/Morena	8700	8700
Nanded	9200	9000
Nagpur (42-43%)	8500-9000	8400-8800
Latur	9100	9000
Sangli	9150	-
Jalna/Dhulia	8700	8700-8800
Kota	8900	8950
Kandla	9400	9400
Mumbai	9500	9500
Vizag	9300	9300

Soy Meal Vessel Report (02.09.05)

Mumbai Port is expecting 'Bright KC' to load 6,000 MT of SBM. Chowgule agents will be handling the vessel.

NCDEX Soy meal Futures price (3rd September'05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sept'05	8525.00	0.00	0.00	8525.00	0.00
Oct'05	8746.00	0.00	0.00	8746.00	0.00

Rape/ Mustard meal

The demand is firm and so are the price movements in rapemeal market due to increasing demand of export also coming in from the Indian market. 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 (not available) & Barah(not available), 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

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. Groundnut meal market continued the steady trend and is expected to get a firm support from the retail end and millers and exporters.

In Rajkot, the GN extraction has been quoted for cash at Rs 6050/ MT and for credit at Rs.6300 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 Futures Ended Lower Friday due to Pressured Selling

The trade for Friday's session ended lower due to speculative selling amid export uncertainties and bearishly construed private crop estimates. Most of the trading was done in the first hour of trading amid uncertainty as to the time for which the port of New Orleans will be closed.

Soyameal futures also traded lower following the speculative selling in Soybean.

The US soybean is expected to trade further lower on Tuesday evening amidst significant improvement in the current crop estimates.

The CBOT markets will be closed the coming Monday due to U.S. Labor Day.

CBOT Soymeal Futures as on 2nd September 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	184.5	184.0	184.2	182.3	-0.4	184.1
Oct'05	185.4	185.8	185.8	183.4	-1	184.4

CBOT remained closed on Saturday and Sunday

USDA's Soymeal Export Report

Soybean Cake and Meal: Net sales of 61,700 MT were 19 percent below the previous week, but 3 percent above the prior 4-week average. The major buyers were Canada (16,800 MT), El Salvador (16,700 MT), Mexico (12,300 MT), Egypt (8,000 MT), and Japan (8,000 MT, including 6,000 MT switched from unknown destinations). Sales of 101,000 MT for delivery in 2005/06 were mainly for the Philippines (30,600 MT), Tunisia (25,000 MT), unknown destinations (23,000 MT), and Turkey (15,000 MT).

Exports of 118,200 MT were 15 percent above the previous week and 50 percent over the prior 4-week average. The primary destinations were Japan (33,500 MT), Mexico (21,200 MT), Canada (21,100 MT), El Salvador (16,700 MT), and Guatemala (16,100 MT).

WEATHER WATCH: (03.09.05)

Forecast valid for next 72 hours

North: Thundershowers are likely to be at few places over East Uttar Pradesh and isolated at Uttaranchal and West Uttar Pradesh. Mainly dry weather in the rest region.

East: Rain/thundershowers likely at few places over northeastern states and West Bengal, Sikkim, Orissa and Chhattisgarh and isolated in the rest region.

South: Rain/thundershowers likely at few places in the region.

West: Rain/thundershowers likely at a few places over south Konkan & Goa and south Madhya Maharashtra and at few places of Vidarbha and isolated over the rest of the region.

Outlook for subsequent two days

Enhanced rainfall activity over Peninsular India and light to moderate rainfall over areas of east central and northeast India.

Mainly dry weather is likely over northwest India.

Source: GOI (IMD)

FOREX RATES (03.09.05)

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.85
European Union	Euro	55.01

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