

OILMEAL

2nd September, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Continued the Firmness
- CBOT: Soymeal Futures Ended Firmly After a Choppy Trade

COMMENTARY DOMESTIC MARKET

Soy meal

Soy meal prices continued to maintain the strong trend. The spot prices at the major markets today also improved significantly. The futures at the NCDEX did show firmness but a correction was seen later. The demand is improving in the major markets.

Plant delivery quotes of Soy seeds witnessed slight weak today as compared to last day and traded at Rs 1275-85 per qtl in Indore while soymeal in physical market has been traded within a range of Rs. 8700 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)	
	01.09.2005	02.09.2005
Indore	8700	8700
Satna/Morena	-	8700
Nanded	8900	9200
Nagpur (42-43%)	8800-8300	8500-9000
Latur		9100
Sangli	9150	9150
Dhulia/Jalna	8700	8700
Kota	8800-8850	8900
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 (2nd September'05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sept'05	8600.00	8525.00	8525.00	8525.00	-75.00
Oct'05	8746.00	0.00	0.00	0.00	0.00

Rape/ Mustard meal

The rapemeal market showed a steady trend at major markets and the market sentiments are showing an improvement as the demand boosts up. 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

Groundnut meal market remained steady and the market is getting a firm support from the soymeal market. 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 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 Futures Ended Firmly After a Choppy Trade

The market experienced choppy, two-sided trade earlier in the session as some hope that the export terminal elevators and river barge traffic could be seeing some activity next week clashed with continued concerns over when power would be restored.

Big deliveries and fears of losing business to South America continue to pressure the market.

Weak basis levels in the Midwest are a function of the port closings. Dryness in the Midwest has helped provided support, as conditions do not look ideal for the tail end of the growing season, especially northern Illinois.

Weekly US export sales for soybeans came in at 625,400 metric tonnes, which was towards the low end of trade expectations. Cumulative new crop sales have reached just 9.8% of the USDA forecast as compared to 19.6% on average over the last five years.

The US soybean is expected to trade higher on Friday evening amidst declining crop prospects.

CBOT Soymeal Futures as on 1st September 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	182.4	183.0	184.7	182.2	2.1	184.5
Oct'05	183.8	184.5	186.7	183.4	1.6	185.4

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: (02.09.05)

Forecast valid for next 72 hours

North: Isolated rain/thundershowers likely over Uttaranchal and Uttar Pradesh. Mainly dry weather in the rest region.

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

South: Rain/thundershowers likely at few places in the region. Rainfall activity likely to increase over Andhra Pradesh and Karnataka from 3rd.

West: Rain/thundershowers likely at a few places over south Konkan & Goa and south Madhya Maharashtra and Isolated over rest Maharashtra. Rainfall may increase over interior Maharashtra from 4th. Mainly dry weather in the rest region.

Outlook for subsequent two days

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

Mainly dry weather is likely over northwest and westcentral India.

Source: GOI (IMD)

FOREX RATES (02.09.05)

Country/Continent	Currency	Value in Rupees
SA	Dollar	43.95
European Union	Euro	54.93

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