

OILMEAL

19th October, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Spot Prices Improved
- No trading activity in NCDEX Nov. Futures

COMMENTARY DOMESTIC MARKET

Soy meal

Soy meal prices at the spot market maintained its yesterday's level at most of the places due to improved export demand. In Indore the prices of DOC quoted in the range of Rs.8400-8600 per MT. Expected domestic demand for Soy meal is of around 4000 to 5000 MT, according to trade sources. There is good demand in international markets according to trade sources. The meal prices at Kandla port saw improvement and were at Rs 9350 per MT due to good demand from the China. At present an estimated export demand is around 40000 MT according to the trade sources. Also the arrivals of soybean are diminished due to stockists and this along with high demand has caused prices to go up at the domestic spot market. If the demand from China, Kuwait, Korea and Japan keeps coming this way the prices will remain high, according to trade sources. The crushing activity is not prominent at the moment but is expected to improve.

In Indore soymeal in physical market improved and traded in the range of Rs.8400-8600 per MT, as per quality. FOR quotes increased at Rs 9100-9150 per MT in Kandla in jute bags, FAS was at \$ 203-205 per MT.

India's soymeal exports totalled 102675 tons in September 2005 compared with 12875 tons in September 2004.

Soy Meal Vessel Report (19.10.05)

Kandla Port is loading 5,000 MT of SBM to Kuwait on the vessel 'Banglar Urmi'. Able Marine agents is handling the vessel.

'Yang Quan' has arrived at Jamnagar Port and continues to load 14,250 MT of SBM to China. The vessel is being handled by Seacrest agents.

Loading of 2,500 MT of SBM is expected at Mumbai Port on the vessel 'Indruwa Valley'. Sai Freight agents will be handling the vessel.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	19.10.05	18.10.05
Indore	8400-8600	8400-8700

Nanded	8200-8300	8300
Dhulia/Jalna	8200-8400	8200-8600
Kota	8400-8500	8300-8400
Nagpur	7900-8300	7900-8300
Kandla	9350	9350
Mumbai	9200
Vizag(approx)	9400	...
Sangli	8400	8400
Latur	8300	8200
Morena/shivpuri	8400	8400

NCDEX Soy meal Futures price (19th October'05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8265.00	00.00	00.00	8265.00	00.00
Dec'05	8600.00	00.00	00.00	8600.00	00.00

Rape/ Mustard meal

Rapeseed/mustard meal prices didn't observe any significant change and remained range bound today. The market is expected to remain range as same in the coming days.

In Shivpuri/ Morena, mustard meal quoted same at Rs.4600 per MT, at Alwar the price was same at Rs.4400 MT. Market maintained its stable sentiment from couple of days. India exported 31025 tons of rapemeal in September 2005 as compared to 52100 in September 2005.

Groundnut meal

Saurashtra Groundnut (40%) quoted at Rs. 5800 for cash and Rs 6000 for credit. As the crushing activity is starting to gear up the prices of meal is going to be affected accordingly. As the crushing activity will increase the prices are bound to come down due to supply pressure. India exported around 8500 MT groundnut meals in September 2005.

INTERNATIONAL MARKET

CBOT December Soy meal Closed Down

December Soy meal closed down 4.2 at 171.0. This was 0.1 above the low and 2.7 below the high. November Soybeans

finished down 6.75 at 584.5, 3 off the high and 2.25 up from the low. January Soybeans closed down 7 at 596 3/4. This was 2 3/4 up from the low and 12 off the high. However December Soybean Oil finished up 0.05 at 24.44, 0.04 off the high and 0.33 up from the low.

Soymeal futures ended lower Tuesday due to the speculative selling. Also the European demand for U.S. meals has been poor nullifying the concerns about bird flue.

Soyoil futures ended firm, getting support from the Indian government's decision over the weekend to raise the base import price for edible oils, a move that could lead to a shift in demand in favor of crude soybean oil.

Soybean futures ended down on the back of crop enhancing rains in key global producer Brazil. Also the Department of Agriculture's report that about 76% of the U.S. soybean crop has been harvested. Exports of soybean are also reported diminished.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	175.2	174.5	174.5	170.8	-4.2	171.0
Jan'06	177.0	174.8	174.8	172.8	-4.2	172.8

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (19.10.05)

Chief Features

The Western Disturbance as an upper air system over extreme northwest Jammu & Kashmir has moved away northeastwards. Consequently dry weather conditions are likely over the state during next 3-4 days.

The night temperatures over Jammu & Kashmir have fallen by 1-3 °C. They may fall further for another 1-2 days after which they are likely to stabilize.

The feeble low pressure area over southwest and adjoining westcentral Bay of Bengal off south Andhra - north Tamil Nadu coasts persists. Under its influence fairly widespread rainfall with isolated heavy falls is likely over south Peninsula during next 48 hours.

The upper air cyclonic circulation over East Uttar Pradesh and neighbourhood has become less marked.

Forecast valid 0830 hours IST of 18th October, 2005

NORTH: Rain/ thundershowers likely **at a few places** over East Uttar Pradesh and **isolated** over Uttaranchal. **Mainly dry** weather likely in the rest region.

EAST: Rain/thundershowers likely **at most places** over Gangetic West Bengal; **at many places** over northeastern states, Sub-Himalayan west Bengal & Sikkim, Jharkhand and Orissa; **at a few places** over the rest region outside East Madhya Pradesh and Chhattisgarh where it may be **isolated**. Increase in rainfall over West Bengal, Sikkim and northeast India after 24 hours.

SOUTH: Rain/thundershowers likely **at most places** over Coastal Andhra Pradesh and coastal Tamil Nadu & Pondicherry; **at many places** over the rest region outside Kerala where it may be **at a few places**.

WEST: Rain/thundershowers likely **at a few places** over Konkan & Goa and **isolated** over rest Maharashtra. **Mainly dry** weather is likely over the rest region.

Heavy Rainfall Warning

Heavy to very heavy rainfall is likely **at a few places** over Gangetic West Bengal. **Isolated heavy rainfall** also likely over Sub-Himalayan West Bengal & Sikkim, northeastern states, Coastal Tamil Nadu, Coastal Andhra Pradesh and coastal Orissa..

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

Moderate rainfall activity over northeast & south Peninsular India is likely to continue.

Source: GOI (IMD)

FOREX RATES (19.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.32
European Union	Euro	53.86

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