

OILMEAL

25th October, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Prices Remained Weak Today
- NCDEX Soymeal Futures Settled up

COMMENTARY DOMESTIC MARKET

Soy meal

DOC spot market prices remained in its previous day's range at most of the places. DOC prices at Indore quoted in the range of Rs.8100-8400 per MT. The soymeal prices at Kandla port were also down as compared to its recent levels of Rs 9350per MT. The bird flu in Europe and Asia have pressurised the demand, which in turn caused lower prices. Buyers were nearly absent at Kandla port. Further as the crushing activity is increasing the supply is expected to increase. Increased sully in the absence of good demand will definitely hit the prices further until the export demand ignites. However the gains at NCDEX today were due to technical reasons. As far as fundamentals are concerned the futures are expected to go down from here on. Arrivals of around 1.5 lakh bags are reported in Maharashtra and Rajasthan and 3.5 lakh bags in M.P, FOR quotes were down at Rs 9050-9150 per MT in Kandla in jute bags, FAS was at \$ 201-203 per MT.

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

Soy Meal Vessel Report (22.10.05)

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)	
	24.10.05	25.10.05
Indore	8200-8400	8100-8400
Nanded	8000-81000	8100
Dhulia/Jalna	8100-8250	8100
Kota	8350-8400	8200-8300
Nagpur	8400-8450	7800-8200
Kandla	9100-9250	9100
Mumbai	8800-9000	9000
Vizag(approx)	9200--9250	9150-9200
Sangli	8200-8400	8300

Latur	8200	8100-8200
Morena/shivpuri	8300	8100-8200

NCDEX Soy meal Futures price (25th October'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8325.00	8499.8	8494.25	8499.8	+174.20
Dec'05	8600.00	00.00	00.00	00.00	00.00

Rape/ Mustard meal

Rapeseed/mustard meal prices didn't observe any significant change and remained range bound today. It is expected to witness bearish market sentiment in coming days due to new crop harvesting of groundnut and soybean and crushing of the same is started in major producing states in India.

In Shivpuri/ Morena, mustard meal quoted steady at Rs.4600 per MT, at Alwar the price remained unchanged at Rs.4400 MT. Market is maintaining its stable sentiment. India exported 31025 tons of rape meal in September 2005 as compared to 52100 in September 2005.

Groundnut meal

Saurashtra Groundnut (45%) quotes improved slightly at Rs. 6300 for cash and Rs 6500 for credit. As the crushing activity is starting to gear up the prices of meal is going to be affected in coming time. However the arrivals and crushing activity is still dull causing prices to maintain its levels. India exported around 8500 MT groundnut meals in September 2005.

INTERNATIONAL MARKET

CBOT Soymeal Settled Higher

December soymeal settled \$0.50 higher at \$169.90 a short ton. This was 1.4 up from the low and 1.3 off from the high. Initially there was some bearish sentiments during the morning in the market due to fears of spread of bird flu through Asia and Europe, which might cut soymeal export demand. After that the prices found support at Friday's low and then local buying emerged to pull up prices.

November soybeans ended 2.75 cents higher at \$5.75, and December soyoil ended 28 points higher at 23.76 cent a pound.

Soyoil futures managed to recover from early losses on technically based buying. Weakness in the energy sector weighed on oil futures causing initial bearishness, which was further accelerated by weakness in palm oil futures in Malaysia after which speculative buying supported the prices. Soybeans futures also saw some sluggishness in the morning. According to U.S. Department of Agriculture soybeans inspected for export in the week ended Oct. 20 totaled 32.738 million bushels. The exports figure was down from last week's 35.389 million and below the 43.378 million inspected at the same time last year. However china's buying interest supported soybeans futures in the late session.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	169.4	168.7	171.0	168.5	+0.5	169.9
Jan'06	171.4	171.7	172.8	170.0	+0.2	171.6

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (25.10.05)

Chief Features

Under the influence of upper air cyclonic circulation over southwest Bay of Bengal, a low pressure area has formed over southeast and adjoining southwest Bay of Bengal. The system is likely to become well marked and subsequently a depression, It may cause an active wet spell with heavy to very heavy falls over south Peninsula during next 2-3 days. Subsequently the rainfall is likely to extend northwards along the east coast to coastal areas of Orissa and West Bengal.

The upper air cyclonic circulation over eastcentral Arabian Sea has become unimportant.

The feeble western disturbance as an upper air system over North Pakistan and neighbourhood persists. Under its influence, an induced cyclonic circulation has formed over central Pakistan which extends upto 2.1 km a.s.l. These systems may cause scattered light to moderate rain/snow over Jammu & Kashmir during next 2 days.

Forecast valid 0830 hours IST of 28th October, 2005

NORTH : Light to moderate rain/snow likely at a few places over Jammu & Kashmir and isolated over Himachal Pradesh during next 48 hours. Weather is likely to improve over Jammu & Kashmir after 48 hours leading to fall in night temperatures. Mainly dry weather likely in the rest region.

EAST : Isolated rain/thundershowers likely over northeastern states, West Bengal & Sikkim and Orissa. Weather will be mainly dry in the rest region. Rainfall over coastal areas of Orissa is likely to increase from 27th.

SOUTH : Rain/thundershowers likely at most places over Andaman & Nicobar Islands and coastal Tamil Nadu & Pondicherry; at many places over interior Tamil Nadu and Coastal Andhra Pradesh and at a few places over the rest region outside coastal and North Interior Karnataka where it may be isolated.

WEST : Mainly dry weather is likely over the region.

Heavy Rainfall Warning

Isolated heavy rainfall is likely over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry and Coastal Andhra Pradesh. It may be at a few places with isolated very heavy falls over Coastal Andhra Pradesh and coastal Tamil Nadu & Pondicherry after 24 hours.

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

The ongoing enhanced rainfall activity over south peninsula is likely to continue and extend northwards increase along the east coast to Orissa and West Bengal.

2. Improvement in weather conditions over Jammu & Kashmir leading to fall in night temperatures..

Source: GOI (IMD)

FOREX RATES (25.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.12
European Union	Euro	53.91

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