

OILMEAL

29th October, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Prices Remained Steady Today
- No trading in November Soymeal at NCDEX

COMMENTARY DOMESTIC MARKET

Soy meal

DOC spot market prices remained stable around its previous day's range at most of the places. DOC prices at Indore quoted in the range of Rs.8200-8700 per MT. The soymeal prices at the Kandla port were stable at Rs 9100 per MT as there was hardly any activity. The markets remained subdued at most of the places on the face of festivals. Trading activities will improve after the festivals. The demand is still low on export front on concerns over the bird flu in Europe and Asia. Also the Indonesian markets are at halt causing demands to be low. Currently the fears of bird flu are causing negative impact on feed demand hammering the meal prices. India is estimated to have committed to export more than 600,000 tons of soymeal in the next three months, to Japan, Southeast Asian countries and surprisingly, China. China is said to have bought 100,000 tons of soymeal from India this year, because Indian soymeal is cheaper than those manufactured domestically using imported U.S. or South American soybeans. For the sake of meal prices we can only expect the export demand to rekindle. Until then the situation seems gloomy for the meals, as the crushing activity is improving only to increase the supply.

However, no trading activity was observed in November soymeal at NCDEX. FOR quotes were steady 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 (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)	
	28.10.05	29.10.05
Indore	8200-8700	8200-8700
Nanded	7800	7800
Dhulia/Jalna	8100-8200	8100-8200
Kota	8200	8200
Nagpur
Kandla	9100	9100

Mumbai	9050	9000
Vizag(approx)
Sangli	8200-8300	8200
Latur	7900
Morena/shivpuri	8400	8250

NCDEX Soy meal Futures price (29th October'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8600.00	00.00	00.00	00.00	00.00
Dec'05	8800.00	00.00	00.00	00.00	00.00

Rape/ Mustard meal

Rapeseed/mustard meal prices are steady as meal prices in general due to coming festive season. As on account of the festivity mood the trading and crushing activity are subdued. It will witness movements after the festivals until then prices are expected to remain stable. It is expected to witness further bearishness in the coming days as crushing activity in groundnut and soybean will increase supply.

In Shivpuri/ Morena, mustard meal quoted slightly down at Rs.4600 per MT, at Alwar the prices bounced back to its normal by adding Rs 50 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 bounced to its earlier levels of Rs. 6400 for cash and Rs 6600 for credit. Most of the markets are seen subdued on account of festivals. Crushing activity was also subdued and the same will improve after the festivals. The prices of meal will see some movements after the festivals. India exported around 8500 MT groundnut meals in September 2005.

INTERNATIONAL MARKET

CBOT December Soymeal Closed Lower

December soymeal settled \$1.70 lower at \$168.80 per ton and this was 0.2 up from the low and 1.7 off the high. Soymeal futures slipped down along with soybeans amid speculative sales and concerns over feed demand issue.

November soybeans finished 6 cents lower at \$5.65, January soybeans ended 6 cents lower at \$5.77 1/2, while December soyoil closed 5 points lower at 23.33 cent a pound.

Soyoil futures ended slightly lower in tune with the bearish tone in the complex. Recent declines in the energy sector have taken off the advantage

the market had in relation to promising biodiesel outlooks. However, soyoil managed to regain amid some commercial buying.

At the same time soybean futures on the CBOT ended moderately lower Friday, slipping down to nearly two-week lows. The absence of fresh supportive news and technical selling weighed on prices. Further, abundant nearby inventories, logistic problems on the river system, tight storage pace, lagging export demand and favorable planting conditions in South America were the fundamental factors behind the decline.

US export sales for soybeans were 842,000 metric tonnes as compared to trade expectations between 850,000-1,050,000. Cumulative sales have reached just 29.5% of the USDA forecast for the entire season as compared to 44.4% on average over the last five years.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	170.5	170.5	170.5	168.7	-1.7	168.8
Jan'06	172.1	172.0	172.0	170.5	-1.4	170.7

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (29.10.05)

Chief Features

The deep depression over south Coastal Andhra Pradesh near Ongole weakened into depression over the same area at 1730 hours IST of 28.10.2005. This system continues to remain practically stationary and now lay centred at 0830 hrs IST of 29.10.2005 about 50 km west of Ongole. It is likely to move very slowly in a west-northwesterly direction and weaken gradually. Under its influence, fairly widespread rains with isolated heavy to very heavy falls likely over Andhra Pradesh during next 24 hours and is likely to decrease significantly thereafter.

Forecast valid 0830 hours IST of 31st October, 2005

NORTH: Mainly dry weather is likely over the region.

EAST: Rain/thundershowers likely at many places over coastal Orissa; at a few places over rest Orissa, coastal West Bengal and south Chhattisgarh and isolated in the rest region outside Bihar, Jharkhand, and East Madhya Pradesh where weather may be mainly dry.

SOUTH: Rain/thundershowers likely at many places over Andhra Pradesh; at a few places over Andaman & Nicobar Islands and Interior Karnataka and isolated in the rest region. Rainfall over Andhra Pradesh is likely to decrease from 31st morning onwards

WEST: Isolated rain/thundershowers likely over south Konkan & Goa, south Madhya Maharashtra, Marathawada and Vidarbha. Mainly dry weather likely in the rest region.

Source: GOI (IMD)

FOREX RATES (29.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.09
European Union	Euro	54.82

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