

OILMEAL

6th October, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Spot Prices Recovered
- NCDEX October Contract Prices Declined Steeply
- No trading in NCDEX November Contract

COMMENTARY

DOMESTIC MARKET

Soy meal

Soy meal prices at the spot market continued to decline today also at most of the places. In Indore the prices of DOC traded in the range of Rs.8000-8650 per MT. In NCDEX futures no trading activity was visible in November contract. At the NCDEX in October after so many days of zero trade some trading activity was observed and prices declined. Demand for Soy meal is stable but is expected to increase as fresh demand from South Korea is expected conditional to gaining of contract by India. Also fear of Bird Flu is reported from Indonesia, which may bring in a fall in demand for Soy meal and thus reduce its prices.

In Madhya Pradesh around 40000 bags arrived of which 20000 bags each are of new and old varieties of soybean. The prices are expected to remain bearish for a few days. In the coming days more arrival is expected and crushing activities will increase.

Plant delivery quotes in Indore was in the range of 8100-8650 per MT and Soy seeds (new) traded in the range of Rs1150-1180 per qtl. In Indore soy meal in physical market traded low in the range of Rs.8000-8650 per MT, as per quality.

FOR quotes declined at Rs 8800-8900 per MT in Kandla in jute bags, FAS was at \$ 200-202 per MT.

India's soy meal exports totalled **102675** tons in September 2005 compared with 12875 tons in September 2005.

Soy Meal Vessel Report (6.10.05)

Kandla Port is loading 16,000 MT of SBM on the vessel 'State of Nagaland' to China. Shantilal agents are handling the vessel. The port is expecting 'Elizaveta' to load 5,000 MT of SBM to Kuwait. The vessel will be handled by JM Baxi 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. 'Yang Quan' is expected at Jamnagar Port to load 14,250 MT of SBM to China. The vessel will be handled by Seacrest agents.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	5.10.05	6.10.05
Indore	8000-8300	8000-8650
Nanded	8500-8600	8500
Dhulia/Jalna	8200-8500	8600-8800
Kota	8450	8500-8600
Nagpur	8200-8500	7900-8300
Kandla	8825	8850
Mumbai	8900	8900
Vizag(approx)	9100-9200	9000
Sangli	8500-8600	8500-8600
Datia	8450	-

NCDEX Soy meal Futures price (6th October'05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Oct'05	8350.00	8100	8100	8100	-250
Nov'05	8105.00	0.00	0.00	8150.00	0

Rape/ Mustard meal

The rapeseed/mustard meal market remained range bound today as compared to the previous trading day. No major activity was witnessed in the market. The market is expected to remain range bound in the coming days. Arrival of 250-300 bags is reported at Sriganganagar market.

In Shivpuri/ Morena, mustard meal traded at the same price of Rs.4650 per MT, at Alwar the price was 4500 MT. Market remained similar to the previous trading day.

India exported **31025** tons of rapemeal in September 2005 as compared to 52100 in September 2005.

Groundnut meal

Saurashtra Groundnut (40%) traded at Rs.5700 for cash and Rs.6000 for credit. The prices are expected to decline in the coming days as arrival of groundnut is reported to have started and crushing activities may begin soon. In

Kota 25000-30000 bags arrived and in Madhya Pradesh around 70000 - 80000 bags arrived. Also some arrival is reported in the markets of Andhra Pradesh and Karnataka.

India exported around **8500 MT** groundnut meals in September 2005.

INTERNATIONAL MARKET

CBOT Soymeal Futures Remain Low

Soymeal futures at Chicago Board of Trade (CBOT) ended low yesterday following momentum gained by Soy oil futures. Soy meal futures contract for December settled \$ 0.60 lower at \$166.10 a short ton and Soybean November futures contract recovered and ended 1 cent up at \$ 5.635. Soy oil December ended by 16 points up at 24.16 cents a pound. Soy oil futures improved on high oil prices thus bringing in more demand for bio fuels and in turn attracting fund buying. With expectation of increase in more crushing of beans to produce more oil Soybean futures raised further expecting an increased production of Soy meal thus increasing the supplies. There is lack of short-term demand for meal from China thus decreasing Soy meal prices. The USDA is scheduled to release its weekly soybean export sales report today. The consensus is of 500000 to 700000 metric tonnes of soybean commitments as compared to 675900 tonnes last week. For Soy meal it is expected to be near 75000-115000 tonnes and oil sales of around 5000-15000 tonnes. CBOT Soy meal Futures as on 5th October 2005.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Oct'05	163.7	163.8	163.8	162.3	-0.9	162.8
Dec'05	166.7	166.9	166.9	165.5	-0.6	166.1

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (6.10.05)

Chief Features

Southwest monsoon has further withdrawn from many parts of Bihar & Jharkhand, some more parts of Chhattisgarh, parts of north Orissa & north Maharashtra and remaining parts of Madhya Pradesh & Gujarat. The withdrawal line passes through Forebaseganj, Dumka, Jamshedpur, Jharsugudha, Raipur, Wardha, Buldana, Nasik, 20° N/73° E and 20° N/60° E.

The upper air cyclonic circulation over Sub- Himalayan West Bengal & Sikkim extending upto 2.1 km a.s.l. persists.

Under its influence fairly widespread rainfall with isolated heavy falls is likely over Sub-Himalayan West Bengal & Sikkim during next 24 hours.

The upper air cyclonic circulation over southwest Bay of Bengal persists and now extends upto middle tropospheric levels.

The other upper air cyclonic circulation over southeast Arabian Sea and neighbourhood extending between 1.5 and 4.5 km a.s.l. has become less marked.

Forecast valid 0830 hours IST of 9th October, 2005

NORTH: Isolated rain/thundershowers likely over East Uttar Pradesh. Mainly dry weather likely in the rest region.

EAST: Rain/thundershowers likely at many places over Sub-Himalayan West Bengal & Sikkim and isolated over the rest region outside Jharkhand, East Madhya Pradesh and Chhattisgarh where weather may be mainly dry.

SOUTH: Rain/thundershowers likely at a few places over Andaman & Nicobar Islands; Tamil Nadu & Pondicherry and isolated in the rest region outside Telangana and north Interior Karnataka where weather may be mainly dry.

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

WARNING

Isolated heavy rainfall likely over Sub-Himalayan West Bengal & Sikkim.

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

1. Increase in rainfall activity is likely over south peninsula.
2. Dry weather conditions likely to continue over northwest & central India.

Source: GOI (IMD)

FOREX RATES (6.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.26
European Union	Euro	53.41

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.