

OILMEAL

28th 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 Kandla port were slightly up by Rs 50 as compared to its yesterday's levels and were traded at Rs 9100 per MT. The prices remained stable at most of the spot markets amid subdued trading activity on account of festivals and the same (Trading activity) is expected to improve after the festivals. The demand is still low on export front on concerns over the bird flu in Europe and Asia. 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)	
	27.10.05	28.10.05
Indore	8200-8400	8200-8700
Nanded	7900-8000	7800
Dhulia/Jalna	8100-8200	800-8200
Kota	8250-8300	8200
Nagpur	8300	...
Kandla	9050	9100

Mumbai	9025	9050
Vizag(approx)	9100
Sangli	8300-8400	8200-8300
Latur	7900-8000	7900
Morena/shivpuri	8400	8400

NCDEX Soy meal Futures price (28th 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	8700.00	8800.00	8400.00	8800.00	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 festival 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.4500 per MT, at Alwar the prices dipped slightly by Rs 50 at Rs.4350 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 were steady at Rs. 6250 for cash and Rs 6450 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 Soymeal Ended Higher

December soymeal settled \$1.20 higher at \$170.50 a ton and this was 0.9 up from the low and 0.5 down from the low.

The higher close was supported by lower soymeal stocks figure in the Census crush report than expected. Additional strength was generated from the unwinding of soyoil/soymeal spreads. Meal stocks in the Census report were pegged at 171,600 tons, well below the expected 284,000 tons causing meal prices to jump.

However November soybeans ended 0.5 cent lower at \$5.71, January soybeans finished unchanged at \$5.83.5 and December soyoil ended 15 points lower at 23.38 cent a pound.

Soyoil futures ended lower, as lower energy prices and higher than expected soyoil stocks in the crush report hampered the sentiments. While uncertainty surrounding South American plantings and seasonal buying trends managed to provide some support to contain the losses. According to census crush data oil stocks are at 1.69 billion pounds, which is at the high end of estimates. However Soybean futures on the Chicago Board of Trade ended

relatively quiet Thursday, hovering in a tight range as the market continued its period of consolidation. The soybeans got support from gains in meal and wheat. The Census Bureau said 133.2 million bushels of soybeans were crushed in September, slightly lower than pre released trade estimates.

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	169.3	169.7	171.0	169.6	+1.2	170.5
Jan'06	170.8	171.0	172.6	171.0	+1.3	172.2

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (28.10.05)

Chief Features

Yesterday's deep depression over southwest Bay of Bengal moved northwestwards and lay centred at 0830 hours IST of 28th October, close to Ongole. The system is likely to cross south Andhra Pradesh between Ongole and Bapatla by noon today.

Under its influence, widespread rainfall with heavy to very heavy falls at a few places is likely over south Coastal Andhra Pradesh and Rayalaseema during next 48 hours.

Isolated heavy rainfall may also occur over Interior Karnataka and Telangana during next 2 days. Isolated heavy rainfall may also occur over north Tamil Nadu today. Squally winds with speed reaching 60-65 kmph likely along and off south Coastal Andhra Pradesh till today night. State of sea will be rough to very rough. Fishermen are advised not to venture into the sea.

The western disturbance as an upper air system over North Pakistan and neighbourhood has moved away east-northeastwards leading to fair weather and chilly nights over Jammu & Kashmir.

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 & south Orissa and coastal West Bengal; at a few places over rest Orissa and south Chhattisgarh and isolated in the rest region outside Bihar and East Madhya Pradesh where weather may be mainly dry.

SOUTH : Rain/thundershowers likely at most places over Coastal Andhra Pradesh and Rayalaseema; at many places over the rest region outside south Tamil Nadu, Kerala and Lakshadweep where it may be at a few places.

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

Heavy Rainfall Warning

Heavy to very heavy rainfall likely at a few places over Coastal Andhra Pradesh and Rayalaseema. **Isolated heavy rainfall** is also likely over Andaman & Nicobar Islands, north Tamil Nadu, Telangana, Interior Karnataka and coastal Orissa.

ii) Squally winds with speed reaching 60-65 kmph likely along and off south Coastal Andhra Pradesh during next 12 hrs. State of sea will be rough to very rough. Fishermen are advised not to venture into the sea.

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

Rainfall activity over south Peninsula is likely to decrease.

Source: GOI (IMD)

FOREX RATES (28.10.05)

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

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