

OILMEAL

4th November, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Market Witnessed Some Improvement
- November Soymeal at NCDEX Closed Up

COMMENTARY

DOMESTIC MARKET

Soy meal

Soymeal prices saw some improvement at most of the spot markets as markets opened after holidays with some backlog of demands. Also there was some trading in November contract of soymeal at NCDEX. It shed Rs 200 at Rs 8400. The markets remained subdued at most of the places during last two-three days on the face of festivals. Trading activities will improve after the festivals. The demand is still low on export front as Indonesian and Malaysian markets are at halt on account of festivals. However the bird flu factor seems easing gradually, which is a good sign indeed. The activity in the markets will improve on Monday as holidays will be over then. 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 will improve only to increase the supply.

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

Soy Meal Vessel Report (02.11.05)

'Leonis' has berthed at Kandla Port and continues to load 3,000 MT of SBM to Kuwait. Able Marine agents will be handling the vessel. Loading of 11,500 MT of SBM is expected at the port on the vessel 'New Legend Star' to Vietnam. Interocean agents will be handling the vessel.

Loading of 1,500 MT of SBM is expected at Mumbai Port on the vessel 'Veesham'. Astarl Freight Forwarders will be handling the vessel.

Kandla Port is expecting 'IKI' to load 15,500 MT of SBM to Japan.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	31.10.05	04.11.05
Indore	8200-8400	8400-8500
Nanded	7800	7900-8000
Dhulia/Jalna	8000-8200	8200-8300
Kota	8200	8300
Nagpur	...	8200

Kandla	9000	9100
Mumbai	9100	9150
Vizag(approx)	9100
Sangli	8100-8200	8500
Latur	7900	8100
Morena/shivpuri	8250	8350

NCDEX Soy meal Futures price (4th November'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8600.00	8400	8400	8400	-200.00
Dec'05	8800.00	00.00	00.00	00.00	00.00

Rape/ Mustard meal

Rapeseed/mustard meal prices also saw some improvement as markets opened after some gap. The markets will gear up only after the holidays, until then prices are expected to remain stable. It is expected to witness some bearishness in the coming days as crushing activity in groundnut and soybean will increase supply. However, if export demand rekindles, the situation might get reversed.

In Shivpuri/ Morena, mustard meal quoted slightly up at Rs.4650 per MT, at Alwar the prices bounced to Rs.4400 MT by adding Rs 50. India exported 31025 tons of rape meal in September 2005 as compared to 52100 in September 2004.

Groundnut meal

Saurashtra Groundnut (45%) quotes bounced to Rs. 6500 (by adding Rs 50) for cash. Most of the markets are seen subdued on account of festivals. Crushing activity was also subdued and the same will improve after the holidays. India exported around 8500 MT groundnut meals in September 2005.

INTERNATIONAL MARKET

CBOT Soymeal Ended Higher

December soymeal settled \$4.40 higher at \$178.30 per ton, this was 3.1 up from the low and 0.7 of from the high. Soymeal futures ended firm, supported by speculative buying due to higher than expected weekly export sales and technical strength. The active December contract

rallied to a seven-week high, managing to climb above meaningful resistance at its 50-day moving average.

USDA reported soymeal sales at 304,700 tons, well above estimates ranging

from 100,000 to 200,000 tons. The sales were a big boost to prices on the back of foreign buying in the despite all the talk of bird flu and poultry slaughters in Asia.

November soybeans ended 18.2 cents higher at \$5.9175, January soybeans

finished 16.75 cents higher at \$6.0175, and December soyoil ended 69 points higher at 23.53 cent a pound.

In soy futures the absence of hedge-related selling at the end of the harvest has brought cash prices up, and solid soymeal exports in the face of bird flu worries generated a spark to push futures through key technical levels. However, the potential for a pickup in farmer selling following the rally, adequate nearby supplies and an export sales pace that lags last year's

sales by 24% continue to hang over the market. Soyoil futures ended sharply higher, rising to one-week highs in late dealings, with a late rally in crude oil futures serving as the catalyst for the late bounce.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	173.9	175.2	178.9	175.2	+4.4	178.3
Jan'06	175.5	176.5	180.3	176.5	+4.1	179.6

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (04.11.05)

Chief Features

Under the influence of the upper air cyclonic circulation a low pressure area has formed over south Bay of Bengal. Associated cyclonic circulation extends upto mid-tropospheric levels tilting southwestward with height. Under its influence, scattered to fairly widespread rainfall is likely

over south Peninsula with isolated heavy falls over Tamil Nadu & Pondicherry, Kerala and Lakshadweep. The upper air cyclonic circulation over Punjab and neighbourhood persists and extends upto 3.1 km a.s.l.

Forecast valid 0830 hours IST of 7th November, 2005

NORTH : Rain/snow likely at isolated places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Rain/thundershowers likely at isolated places over the rest region outside East Uttar Pradesh where weather will be mainly dry.

EAST : Isolated rain/thundershowers likely over the region outside Bihar where weather may be mainly dry.

SOUTH : Rain/thundershowers likely at many places over Tamil Nadu & Pondicherry, Kerala and Lakshadweep; at a few places over South Coastal Andhra Pradesh, Rayalaseema, South Interior Karnataka and Andaman & Nicobar Islands and at isolated places over the rest region.

WEST : Weather will be mainly dry in the region

Warning

Isolated heavy rain is likely to occur over Tamil Nadu & Pondicherry, Kerala and Lakshadweep during next 2-3 days.

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

Light to moderate rain/thundershowers likely to continue over south Peninsula.

Source: GOI (IMD)

FOREX RATES (04.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.41
European Union	Euro	54.19

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