

OILMEAL

7th November, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Markets Witnessed Some Fall in Prices
- December Soymeal at NCDEX Ended Down

COMMENTARY

DOMESTIC MARKET

Soy meal

Soymeal prices saw some southward movements today at most of the spot markets, as some good arrivals after a long drought during holidays caused prices to tumble down. The market got back to their normal activity levels after a sluggish festive period. Arrivals of around 8 lakh bags were reported in M.P. by the trade sources. Also there was very thin trading in the December contract of soymeal at NCDEX, which witnessed a good Rs 300 downward correction and closed at Rs 8500. This was merely an adjustment for the recent downward movements in prices during slack demand period, as there were no trading in the contract for quite some time to reflect them. However, there was no trading activity observed in November contract. DOC prices at Indore quoted at Rs.8300 per MT. The soymeal prices at Kandla port were also on downward side at Rs 8950 per MT. The prices may stabilize tomorrow as today's downfall in prices were mainly due to sudden burst in supply as market got active after a long drought. The demand is still low on export front as there is no major order in the store. Yet another case of avian flu in China, and some cases of Human infections in Indonesia, may further hit the already subdued market. We are on the verge igniting supply as crushing activity will improve now onwards. 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 (04.11.05)

'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. Intercocean 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)	
	06.11.05	05.11.05
Indore	8300	8350
Nanded	7800-7900	7900-8000
Dhulia/Jalna	8050-8100	8200
Kota	8100	8350
Nagpur	7600-8000	8200
Kandla	8950	9100
Mumbai	8900	9100
Vizag(approx)	9050	9100
Sangli	8300	8400
Latur	7900-8000	8000-8100
Morena/shivpuri	8300	8300-8400

NCDEX Soy meal Futures price (7th November'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8400.00	8400	8400	8400	00.00
Dec'05	8800.00	85000	8500	8500	-300.00

Rape/ Mustard meal

Rapeseed/mustard meal prices remained mixed in the day of very small activity. The markets expected to gear Monday onwards when arrivals will be seen to give some cheer to the lazy looking market. 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 stable at Rs.4560 per MT, at Alwar the prices came down to Rs.4400 MT by losing 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 improved today from yesterday's position and the meals were traded at Rs 6700 per MT and GN 40% was traded at Rs 6100. The surprise rise in prices of groundnut meals was the result of slackening of supplies. The crushing of groundnut has slowed down, as there is good demand for groundnut

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

INTERNATIONAL MARKET

CBOT Soymeal Ended Down

December soymeal settled down 2.1 at 176.2 per ton, this was 0.6 up from the low and 3.3 of from the high. Soymeal futures lost some of its Thursday's gains, as there was no fresh fundamental news to induce buyers. The fall in prices of soymeal was supported by oil and soybean. The meal prices were supported initially this week, by the news that China has bought around 300,000 MT soybeans from U.S. However, another case of Bird Flu (fourth in last month) in China pressured the meal prices, even dry weather conditions feared in Argentina couldn't support them.

November soybeans ended down 11.25 cents at \$5.805, January soybeans finished down 9.25 cents at \$5.92, and December soybean ended down 59 points at 22.94 cent a pound.

Soy futures saw downward movement on Friday thanks to lack of buying support for the soy futures and some bearish factors. Diminished export demand, strong position of supplies and larger expected production were the vehicles for the south journey of soybeans. Oil futures were hammered down by falling crude prices.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	178.3	178.4	179.5	175.6	-2.10	176.1
Jan'06	179.6	179.8	180.9	177.3	-1.81	177.8

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (07.11.05)

Chief Features

Under the influence of the well marked low pressure area over southwest Bay of Bengal, heavy to very heavy rainfall occurred at a few places over Coastal Tamil Nadu & Pondicherry during past 24 hrs. Moderate rainfall also occurred over Rayalaseema and Kerala. Chief amounts of rainfall (cms.): Karaikal-16, Nagapattinam-14, Chennai-13, Tambaram-11, Cuddalore & Thiruvananthapuram-5 each and Tirupati-4.

The well marked low pressure area over southwest Bay of Bengal persists. The associated upper air cyclonic circulation extends up to 5.8 km a.s.l. tilting southwestwards with height. Under its influence, widespread rains with heavy to very heavy falls likely to continue over coastal Tamil Nadu & Pondicherry for another 2-3 days. Scattered to fairly widespread rains with isolated heavy falls also likely over interior Tamil Nadu, south Coastal Andhra Pradesh and Kerala. Squally winds may also be experienced along and off Tamil Nadu coast during this period.

A feeble western disturbance lies over north Pakistan and adjoining north Jammu & Kashmir. It is likely to cause light to moderate rain/snow over Jammu & Kashmir during next 2-3 days. Another western disturbance is also approaching which is likely to increase rain/snowfall activity over the Western Himalayan region during 10th to 12th Nov.

Forecast valid 0830 hours IST of 7th November, 2005

NORTH : Weather will be mainly dry over the region.

Isolated rain/snowfall is likely over Jammu & Kashmir.

EAST : Weather will be mainly dry over the region.

SOUTH : Rain/thundershowers likely at most places over coastal rest Tamil Nadu & Pondicherry; at many places over rest Tamil Nadu, south Coastal Andhra Pradesh and Kerala; at a few places over Rayalaseema and isolated over the rest region outside Telangana and North Interior Karnataka where weather will be mainly dry.

WEST : Weather will be mainly dry over the region.

Warning

Heavy to heavy rain is likely to occur over **at a few places** over coastal Tamil Nadu & Pondicherry and **isolated** over Interior Tamil Nadu, south Coastal Andhra Pradesh and Kerala during next 2-3 days.

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

Moderate rain/thundershowers with isolated heavy rainfall likely to continue over south Peninsula.

Rainfall/snowfall over Western Himalayan region may increase.

Source: GOI (IMD)

FOREX RATES (05.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.67
European Union	Euro	53.91

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