

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Markets Almost Stable
- December Soymeal at NCDEX Witnessed Surge in Prices

COMMENTARY
DOMESTIC MARKET

Soy meal

The soymeal prices are dancing around the same floor. It seems that the prices have made ground near these levels. However, in the absence of any fresh inputs, they are not in position to recover. Soymeal prices have not seen any sign of improvement in recent days and market remained subdued. Definitely it's a period of falling prices in general, as it's a start of post harvest season. The prices generally remain low during this season on account of increased domestic and international supply. The supplier countries have enough stock positions thanks to good production and favourable weather conditions. Importers are at bargaining position, asking for lower prices. At the same time the bird flu factor is still haunting the markets with several appearances. According to WHO some more outbreak of bird flu are expected and the same is really a bad news as the horrible story is not looking to come to an end. At the moment we think the market has no reason to take prices up. At the most the prices may remain stable if not falling.

In the same line soymeal prices at most of the spot markets remained stable today. However at the ports prices slipped by Rs 100 per MT. December soymeal at NCDEX witnessed strong surge to Rs 8200 per MT levels, but the same was not supported by fundamentals. We are of the opinion that this surge in prices of January contract is not justified in current scenario. DOC prices at Indore remained stable in the range of Rs 8000-8400 per MT as per quality. The soymeal prices at Kandla were down at Rs 8650 per MT. The current situation for the meals is gloomy. The importers are at bargaining position and asking for lower prices. Also, we are on the verge of igniting supply to make the situation worse. For the sake of meal prices we can only expect the export demand to rekindle and bird flu story to come to an end.

India exported 160250 MT of soymeal during October a huge increase from previous year's 18750 MT during same month. The exports of soymeal were up during last seven months at 882150 MT as compared to 807625 MT during same period of the previous year.

Soy Meal Vessel Report (23.11.05)

Loading of 15,500 MT of SBM is continuing at Kandla Port on the vessel 'IKI' to Japan. Taurus agents is handling the vessel. Kandla Port is loading 13,000 MT of SBM on the vessel 'Ever Power' to Vietnam. The vessel is being handled by Shantilal agents. 'Fu Yang' has arrived at the port to load 12,000 MT of SBM. JM Baxi agents will be handling the vessel.

Jamnagar Port is expecting 'Lindas' to load 45,000 MT of SBM to Black Sea Port. Ambica agents will be handling the vessel.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	23.11.05	22.11.05

Indore	8000-8400	8000-8400
Nanded/Latur	7550	7575
Dhulia/Jalna	7800-8000	7900-8000
Kota	7800-7900	7900-8000
Nagpur	7500 (40%) -7900	7500 (40%) -7900
Kandla	8650	8750
Mumbai	8650	8750
Vizag(approx)	8650	8750
Sangli/Solapur	8250	8200
Morena/shivpuri	8000-8200	8000-8200

NCDEX Soy meal Futures price (22nd November'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Dec'05	8000.00	8200.00	8200.00	8200.00	+200.00
Jan'06	8499.00	00.00	00.00	00.00	00.00

Rape/ Mustard meal

Rapeseed/mustard meal prices fell to Rs 4800 per MT against its earlier level of Rs 4900 per in Morena today. The prices at Alwar also fell to Rs 4750 per MT. As it is the period of depleting stocks and crushing activity in mustard has dropped and shifted towards the soymeal, the prices are at comparatively higher levels. India exported 37250 MT of rape meal in October 2005 as compared to 17300 MT in October 2004 an increase of 19950 Mt. However, R.S. meal export during the last seven months decreased slightly to 372375 MT as compared to corresponding period in previous year.

Groundnut meal

Saurashtra Groundnut (45%) quotes were down at Rs 6400 as compared to Rs 6500 per MT yesterday. For prices to go up export demand should improve. India exported around 8825 MT groundnut meals in October 2005 increased from previous month's 8500 MT. However, the GN meal exports during last seven months were 75000 MT down as compared to previous year's 105525 MT during the same period.

INTERNATIONAL MARKET

CBOT Soy meal Settled lower

Soymeal futures ended modestly lower, maintaining a sideways pattern in quiet action. The market lost some ground to soyoil, with the market consolidating amid the absence of fresh fundamental news. December soymeal settled \$0.30 lower at \$173.60 a short ton. Underlying bearish fundamentals provided enough pressure to keep futures hovering within a trading range. Lingering concerns over the spread of bird flu in Asia, favorable crop conditions in South America and a lagging export pace were the

bearish influences. January soybeans finished unchanged at \$5.7225, and December soyoil ended 5 points higher at 21.98 cent a pound. Soyoil futures ended slightly higher, with the market garnering light support from higher energy prices and rumors of China buying South American soyoil supplies. However, soybean futures on the Chicago Board of Trade ended at near unchanged levels Tuesday.

According to USDA's last report Net sales of soymeal were 204700 MT were 2.56 times the prior week's levels and 17% above the prior four-week average levels. The main buyers were the Japan 48,400 MT, Canada 33,600 MT, Guatemala 33,100 MT, Cuba 25,000 MT, and Mexico 22,100 MT. Exports were reported at 172400 MT, around 80% above prior week's 95300 MT and nearly 60% above the prior 4-week average. The primary importers were the Philippines 45,600 MT, Mexico 20,000 MT, Canada 19,500 MT, Saudi Arabia 17,500 MT, Turkey 13,600 MT, and Japan 13,600 MT.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	173.9	177.0	175.0	173.5	-0.3	173.6
Jan'06	174.9	175.2	175.9	174.5	0.00	174.9

WEATHER WATCH: (23.11.05)

Chief Features

Yesterday's depression over southwest Bay of Bengal with its center near lat 9.5° N /long. 79.5° E close to Pamban weakened into a well marked low pressure area over the same region at 1730 hours IST yesterday. It has further weakened into a low pressure area and now lies over south Tamil Nadu and neighbourhood. The system is likely to move in a westerly direction. Under its influence fairly widespread rains with isolated heavy falls are likely over Tamil Nadu, Pondicherry, Kerala and Lakshadweep during next 48 hours.

The western disturbance as an upper air system over north Pakistan and adjoining Jammu & Kashmir has moved away eastwards.

A fresh western disturbance is likely to affect western Himalayas from 26th to 28th November.

Forecast valid 0830 hours IST of 26th November, 2005

NORTH : Mainly dry weather is likely over the region. However, isolated light rain/snow is likely over Jammu & Kashmir after 48 hours.

EAST : Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim and northeastern States. Weather will be mainly dry over the rest region.

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

WEST : Mainly dry weather over the region.

Warning

Isolated heavy rainfall likely over Tamil Nadu, Pondicherry, Kerala, Rayalaseema and Lakshadweep.

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

Light to moderate rainfall activity likely over south peninsula.

2 Scattered to fairly widespread rain/snow likely over Western Himalayas. Isolated rain/thundershowers may also occur over the adjoining plains

Source: GOI (IMD)

FOREX RATES (23.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.74
European Union	Euro	53.78

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.