

OILMEAL

15th November, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Markets Witnessed Some Downward Movements
- November Soymeal at NCDEX Ended Down

COMMENTARY

DOMESTIC MARKET

Soy meal

Soymeal prices dropped down in most of the spot markets today. The soymeal markets remained subdued in the absence of new export demand recently, and in the same note the prices further fell today. December contract shed Rs 250 and November contract at NCDEX witnessed fall of Rs 270. the large drop in prices were mere correction for the recent fall in spot prices, as the trading took place after some gap in meal futures. DOC prices at Indore quoted almost stable in the range of Rs.8000-8600 per MT as per quality. The soymeal prices at Kandla port were down at Rs 8800 per MT. FOR quotes were down at Rs 8700-8800 per MT in Kandla in jute bags, FAS was at \$ 194-196 per MT.

The export scene is still gloomy and no fresh contracts are seen to boost the market. The long tale of the bird flu is keeping on pressuring the markets as there is no sign of relief in this front. The importers are asking for very low prices, around \$188 per MT, which is unacceptable to the Indian exporters causing halt in fresh deals. The current situation for the meals is gloomy. As the demand is poor in the international markets and supply is waiting for its takers. We are on the verge igniting supply, as crushing activity will improve now onwards. Weather conditions are perfect for the harvesting of soybeans and the same is heading towards its completion. 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 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 (15.11.05)

'Fu Wang' is expected at Kandla Port to load 12,000 MT of SBM. Able Marine agents will be handling the vessel. Loading of 13,200 MT of SBM is expected at the port on the vessel 'Tina Da' to Malaysia. Shantilal agents will be handling the vessel. Kandla Port is expecting 'IKI' to load 15,500 MT of SBM to Japan. The vessel will be handled by Taurus agents. 'Ever Power' is expected at the port to load 13,000 MT of SBM to Vietnam. Shantilal 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.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	14.11.05	15.11.05
Indore	8000-8300	8000-8600
Nanded/Latur	7750-7850	7600-7800
Dhulia/Jalna	8050-8200	8000
Kota	8100-8200	8000-8100
Nagpur	7500 (40%) -7900	7500 (40%) -7900
Kandla	8850-8900	88000
Mumbai	8900	8800
Vizag(approx)	8900	8800
Sangli/Solapur	8300	8300
Morena/shivpuri	8300	8300

NCDEX Soy meal Futures price (15th November'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8400.00	8130.00	8130.00	8130.00	-270.00
Dec'05	8050.00	8050.00	8050.00	8050.00	-250.00

Rape/ Mustard meal

Rapeseed/mustard meal prices rose further to Rs 4800 per in Morena yesterday. The prices rose to Rs 5100 per MT in Alwar. As it is the period of depleting stocks and crushing activity in mustard has dropped and shifted towards the soymeal, the rise in prices are obvious. 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 slip down slightly yesterday to Rs 6400 per MT and GN 40% was traded at Rs 5900. As the supply of the GN meal is up with increase in crushing activities the prices are expected to remain subdued as the export demand is poor. 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 Soymeal Shed Some of its Friday's Gains

December soymeal at CBOT ended down \$1.5 at \$180.2 per Ton. The Soymeal futures retreated from Monday's highs, as there was no fresh fundamental news to boost the prices. There were no buyers above Monday's high levels and some profit booking also helped the prices to cool off. The export front is subdued and bird flu factor is still haunting the market as it is causing the lower demand. Further, fall in other soy complex added bearishness in the sentiments. January soybeans ended 6.2 cents lower at \$5.95per bushel and December oil ended down 0.23 cents at 22.51 cents per pound. The oil market was pressured by soyoil stocks data in the NOPA crush report coming in higher than expected and talk of high oil content in the 2005 U.S. soybean crop. NOPA soyoil stocks were reported at 1.495 billion pounds, well above average trade estimates of 1.374 billion pounds, and soyoil yields were a whopping 11.65 pounds per bushel up from 11.56 in September. The soybeans market was hit by lower export data. USDA said soybeans inspected for export in the week ended Nov. 10 totaled 20.104 million bushels where as analysts expected soybean inspections in a range of 30 million to 35 million bushels. Soybean export inspections for the 2005-06 marketing year total 214.093 million bushels, down from last year's 280.548 million at the same time.

According to USDA report Net sales of soymeal were 79,800 MT 74% above the week earlier. The major buyers were the Philippines 24,100 MT, the Dominican Republic 17,000 MT, Canada 15,600 MT, Mexico 15,200 MT, and Guatemala 14,000 MT. Exports were reported at 95,300 MT nearly 30% below the week earlier and 15% below the prior 4-week average. The primary destinations were the Philippines 25,000 MT, Mexico 25,000 MT, Canada 15,000 MT, Japan 10,000 MT, and the Dominican Republic 9,300 MT.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	181.7	182.3	182.7	178.8	-1.5	180.2
Jan'06	182.4	183.4	183.5	180.1	-1.0	181.4

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (15.11.05)

Chief Features

The upper air cyclonic circulation over southwest Bay of Bengal has become less marked. The upper air cyclonic circulation over southeast Arabian Sea persists and extends upto 1.5 Km a.s.l.

A low pressure area formed over Southeast bay of Bengal. Associated upper air cyclonic circulation extends upto 2.1 Km a.s.l. The system is likely to move west-northwestwards. Under its influence rainfall activity over Coastal Tamil Nadu is likely to increase after 18th.

Forecast valid 0830 hours IST of 18th November, 2005

NORTH : Mainly dry weather is likely over region.

EAST : Weather will be mainly dry over the region.

SOUTH : Rain/thundershowers likely at many places over Nicobar Islands and isolated over Tamil Nadu & Pondicherry, Kerala, Lakshadweep and Andaman Islands. Weather may be mainly dry over the rest region.

WEST : Mainly dry over the region.

Heavy rainfall warning

Isolated heavy rainfall likely over Nicobar Islands.

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

Rainfall over Tamil Nadu and Kerala is likely to increase with isolated heavy rainfall over these areas.

Source: GOI (IMD)

FOREX RATES (15.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.67
European Union	Euro	53.71

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