

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Market Prices remained on Lower Side.
- December Soymeal at NCDEX Witnessed a Sharp Fall

COMMENTARY DOMESTIC MARKET

Soy meal

The same old story of falling prices is repeated today. The soymeal market has every reason to fall. The prices has been subdued since last three week and still, there are no signs of improvement. Today the market remained subdued on bird flu fears and lower soybeans prices. The supplier countries are sitting on the piles of soymeal and they are selling at whatever prices being offered by importers. At the moment the importers are at the driving seat and turning the market wheels in their desired direction. It is true that the deadly disease is hearting the market sentiments across the glob, but at this time it is mainly concentrated in China and Vietnam. It should not hit the demand from other countries like Indonesian and Japan. It seems that the importers are taking undue advantage of the whole bird flu story and asking for soymeal at very cheaper rate.

The soymeal prices witnessed no improvement today and remained on lower side at most of the spot markets. At Kandla port buyers were seen asking for Rs 8250 and sellers were standing at Rs 8350 per MT. Some January contract were sold for Rs 8300 per MT. December soymeal at NCDEX witnessed a sharp fall in prices to Rs 7700, however the huge fall was mere adjustment for intermittent trading in the contract. However, January contract witnessed no trading activity today. DOC prices at Indore remained stable at lower levels in the range of Rs 7700-7800 as per quality. FAS prices were down at \$181-183 per MT.

The current situation for the meals is gloomy. 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. The importers are at bargaining position and asking for lower prices. For the sake of meal prices we can only expect the export demand to rekindle and bird flu story to come to an end. Until then the prices would continue its downward path.

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 (30.11.05)

Jamnagar Port is loading 13,000 MT and 13,500 of SBM respectively to China on the vessels 'Thor Star' and 'Iran Bayan'. JM Baxi agents is handling the vessel. 'Fu Yang' has arrived at the port and continues to load 12,000 MT of SBM. JM Baxi agents is handling the vessel. The port is

expecting 'Zara III' to load 13,000 MT of SBM to Vietnam. Interocean agents will be handling the vessel..

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	30.11.05	29.11.05
Indore	7700-7800	7600-8000
Nanded/Latur	7450-7600	7450
Dhulia/Jalna	7500-7600	7600
Kota	7600	7500
Nagpur	7100 (40%) -7500	7400 (40%) -7800
Kandla	8250 (buy) 835 (sell)	8250
Mumbai	8250 (buy) 835 (sell)	8200
Vizag(approx)	8300
Sangli/Solapur	7900	8200
Morena/shivpuri	7600-7900	7800

NCDEX Soy meal Futures price (30th November'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Dec'05	8000.00	7800.00	7700.00	7700.00	-300.00
Jan'06	7720.00	00.00	00.00	00.00	00.00

Rape/ Mustard meal

Rapeseed/mustard meal prices jumped again to its earlier levels of Rs 4900 per MT. The prices have been stable within a small range for quite some time. The prices at Alwar also raised to Rs 4750 per MT yesterday as compared to Rs 4700 a day before. 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 jumped remained at Rs 6500. the groundnut meals are in short supply due to comparatively lower crushing this year. The demand for seeds is higher causing the crushing activity to be lower, which in turn is responsible for continued higher levels. 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 Ended Lower

Soymeal futures ended lower across the board, pressured by speculative sales. The market consolidated Monday's gains, with worries over potential declines in Asian feed demand due to bird flu keeping a bearish spin on prices. January soymeal settled \$0.90 lower at \$170.80 per ton. January soybeans finished 4.25 cents lower at \$5.54 and January soyoil ended 29 points lower at 21.17 cent a pound. It was a day of consolidation, with the market correcting from Monday's exaggerated gains.

The defensive theme was consistent from the outset, with a lagging export pace, improving crop conditions in South America and lingering worries over global feed demand amid bird flu concerns in Asia casting a bearish cloud over the market. Soyoil futures stumbled lower, retracing Monday's gains, moving in unison with declines in soybeans. Commercial buying provided light underlying support, despite the market losing product share to soymeal.

According to the U.S. Census Bureau's crush report 158.2 million bushels were crushed in October. It was in line with the average trade estimate of 158 million bushels. Soymeal stocks were 316,137 MT; above the average trade estimate of 272,700 MT. Soyoil stocks were observed at 1.864 billion pounds, above the average estimate of 1.758 billion pounds. The yield on soyoil was 11.59 pounds per bushel.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	171.7	170.8	171.4	168.7	-1.4	170.3
Jan'06	171.7	171.0	171.7	169.3	-0.9	170.8

WEATHER WATCH: (30.11.05)

Chief Features

The cyclonic storm BAAZ over southwest Bay of Bengal moved slightly northwards and lay centred at 1430 hrs. IST of today over southwest Bay of Bengal near lat. 12.5°N/long. 84.0°E about 400 km east-southeast of Chennai. The system is likely to intensify further and move slowly in a west-northwesterly direction and cross extreme north Tamil Nadu - south Andhra Pradesh coasts between Chennai and Machilipatnam by night of 1st December. Under its influence fairly widespread rainfall with isolated heavy to very heavy falls are likely over north Tamil Nadu and Andhra Pradesh coasts during next 48 hours. Gale

winds with speed reaching 80-90 kmph also likely to commence along and off the above coasts from tonight.

The western disturbance as an upper air system over Jammu & Kashmir and adjoining Himachal Pradesh persists.

The low pressure area over central parts of south Arabian Sea also persists. Associated upper air cyclonic circulation extends upto 3.1 km a.s.l.

Forecast valid 1430 hours IST of 3rd DECEMBER, 2005

NORTH : Rainfall/snowfall is likely at a few places over Jammu & Kashmir and Himachal Pradesh and isolated over Uttaranchal. Mainly dry weather is likely over the rest region. Minimum temperature over western Himalayas and adjoining plains of northwest India are likely to fall during next 2-3 days.

EAST : Isolated to scattered rain/thundershowers likely over coastal & south Orissa from tomorrow. Weather will be mainly dry over the rest region.

SOUTH : Rain/thundershowers likely at many places over extreme north Tamil Nadu and Coastal Andhra Pradesh; at a few places over Andaman & Nicobar Islands, rest Tamil Nadu & Pondicherry and Lakshadweep and isolated over Rayalaseema and Kerala. Rainfall activity over Tamil Nadu & Pondicherry, Rayalaseema and Coastal Andhra Pradesh is likely to increase from tomorrow when rains are likely at many places with heavy to very heavy falls at a few places for subsequent 2-3 days.

WEST : Mainly dry weather over the region.

Warning

Isolated to scattered heavy to very heavy rainfall likely over north coastal Tamil Nadu & Pondicherry and Coastal Andhra Pradesh from tonight for next 2-3 days.

Strong winds with speed reaching 80-90 kmph likely along & off north Tamil Nadu and south Andhra Pradesh coasts from tomorrow. State of sea will be very rough to high. Fishermen are advised not to venture into the sea along the above coasts.

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

Fairly widespread moderate rainfall likely over south Peninsula.

Source: GOI (IMD)

FOREX RATES (30.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.94
European Union	Euro	54.16

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