

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Markets Almost Stable
- December Soymeal at NCDEX Witnessed No trading Activity

COMMENTARY DOMESTIC MARKET

Soy meal

There were no fresh inputs for the markets today and the market remained stable at most of the places. 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. Similarly at the ports the prices remained stationary. December soymeal at NCDEX witnessed no trading activity, however the January contract witnessed a sharp rise in prices by Rs 800 to Rs 8499. 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 same at Rs 8750 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 (21.11.05)

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)	
	21.11.05	22.11.05
Indore	8000-8400	8000-8400
Nanded/Latur	7450	7575
Dhulia/Jalna	7900-8000	7900-8000
Kota	7800-7900	7900-8000
Nagpur	7400 (40%) -7800	7500 (40%) -7900
Kandla	8750	8750
Mumbai	8750	8750
Vizag(approx)	8750	8750
Sangli/Solapur	8200	8200
Morena/shivpuri	8000	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	00.00	00.00	00.00	00.00
Jan'06	7699.00	8499.00	8499.00	8499.00	+800.00

Rape/ Mustard meal

Rapeseed/mustard meal prices again bounce back to its previous level of Rs 4900 per in Morena today. The prices at Alwar were also stand still at Rs 4800 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 remained at the yesterday's level of Rs 6500 per MT and GN 40% was traded at Rs 6000. As the supply of the GN meal is not at its usual levels due to lower crushing on account of good seed demand. This is causing prices to remain stable. 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 December Soymeal Ended slightly Higher

The soymeal prices have been under pressure for quite some time on lower demand due to bird flu fears. The bird flu cases are increasing in China and Vietnam, making the sentiments negative. However negating the same the prices of soymeal futures gained slightly today on speculative buying and some commercial buying interest. The prices had fallen to very low levels and this was mere reaction for the cheaper prices. December soymeal at CBOT added \$1.7 at \$173.9. It was \$1.3 off from the high and \$1.6 above the low. Soybeans prices also gained along with the soymeal. Also a little favourable soybean inspection for the week helped the prices to go up. January soybeans ended 2.5 cents up at \$5.7225. However, the bearish factors were still there to pull the prices down. The bearish factors were good stock position, favourable weather conditions and lower demand growth. These factors played major role in limiting the gains. Weekly export inspections came in at 34.2 million bushels as compared with trade expectations at 32-37 million. Cumulative exports have reached just 23.9% of the USDA forecast for the entire season as compared with 31.1% on average over the past 5 years.

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	172.2	172.6	174.8	172.5	+1.7	173.9
Jan'06	173.2	173.6	175.6	173.4	+1.7	174.9

WEATHER WATCH: (19.11.05)

Chief Features

Yesterday's depression over southwest Bay of Bengal moved west-wards and lay centered today morning at 0830 hrs. IST with its center close to lat 9.0° N /long. 80.0° E

about 100 km east of Pamban. The system is likely to move in a westerly direction and cross south Tamil Nadu coast between Tuticorin and Tondy by today afternoon. Under its influence, widespread rains with heavy to very heavy falls are likely over Tamil Nadu, Pondicherry and Kerala during next 48 hours.

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

Forecast valid 0830 hours IST of 25th November, 2005

NORTH : Mainly dry weather is likely over the region.

EAST : Isolated rain/thundershowers likely over northeastern States. Weather will be mainly dry over the rest region.

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

WEST : Mainly dry weather over the region.

Warning

Heavy to very heavy rainfall likely at a few places over Tamil Nadu, Pondicherry and Kerala.

Squally weather with wind speed reaching 50 to 60 kmph likely along and off Tamil Nadu & Pondicherry coasts during the next 48 hours. State of the sea will be rough to very rough. Fishermen are advised not to venture into the sea along and off Tamil Nadu & Pondicherry coasts.

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

1. Rainfall activity over south peninsula will decrease.
2. Isolated to Scattered rain/snow likely over Western Himalayas.

Source: GOI (IMD)

FOREX RATES (22.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.85
European Union	Euro	53.78

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