

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Market Prices remained on Lower Side.
- December Soymeal at NCDEX Witnessed No Trading Activity

COMMENTARY DOMESTIC MARKET

Soy meal

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. Recently china reported its 27th outbreak of bird flu and one human death by the deadly disease. 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. The soymeal prices at Kandla port fell sharply by Rs 250 to Rs 8250 yesterday and remained stable there today. However the prices at Mumbai port fell further to Rs 8200 per MT. December soymeal at NCDEX witnessed no trading activity today. DOC prices at Indore remained stable at lower levels in the range of Rs 7500-7800 as per quality. FAS prices were down at \$182-184 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 (28.11.05)

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 to load 12,000 MT of SBM. JM Baxi agents will be handling the vessel. **DOC rates at different centers**

Places	Ex-factory rates (Rs/ton)	
	27.11.05	29.11.05
Indore	7500-7800	7600-8000
Nanded/Latur	7400-7500	7450
Dhulia/Jalna	7600	7600
Kota	7500-7600	7500
Nagpur	7400 (40%) -7800	7400 (40%) -7800
Kandla	8250	8250
Mumbai	8250	8200
Vizag(approx)
Sangli/Solapur	8000	8200
Morena/shivpuri	7700-7800	7800

NCDEX Soy meal Futures price (29th November'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Dec'05	8000.00	000	00.00	00.00	00.00
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 4950 per MT. The prices have been stable within a small range for quite some time. The prices at Alwar also fell slightly to Rs 4700 per MT yesterday as compared to Rs 4750 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 Up

Soymeal futures ended up, on the back of rising soybeans. January soymeal settled \$1.00 higher at \$171.70 per MT. Soybean futures on the Chicago Board of Trade ended moderately higher Monday, managing to reverse early declines on a late short-covering bounce after selling pressures were exhausted. Also the futures were in the oversold region, which caused technical bounce from the lower prices. Follow-through selling from Friday, bird flu concerns in Asia and favorable crop conditions for South American crops provided the means for the initial slide to nine-month lows, as prices gapped lower for a third consecutive trading day on the open. A lagging export pace added to the downward pressure, but without any follow-through selling at the lows and short-term oversold conditions, buyers emerged to reverse the declines. January soybeans finished 4 cents higher at \$5.5825. Soyoil futures also finished firm, climbing in unison with soybeans. Market talks, of China looking for soyoil supplies, helped futures to rise, with technical buying contributing to the gains as well. January soyoil ended 18 points higher at 21.46 cent per pound.

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	170.1	167.0	171.9	166.7	1.6	171.7
Jan'06	170.7	167.0	171.9	167.0	+1.0	171.7

WEATHER WATCH: (29.11.05)

Chief Features

The cyclonic storm BAAZ over southeast Bay of Bengal moved northwestwards and lay centred at 1430 hrs. IST of today over southeast and adjoining southwest Bay of Bengal near lat. 11.5°N/long. 85.0°E about 600 km east-southeast of Chennai. The system is likely to intensify further and move in a west-northwesterly direction towards north Tamil Nadu - south Andhra Pradesh coasts during next 48 hours. Under its influence fairly widespread rainfall with isolated heavy falls are likely to commence along north Tamil Nadu-south Andhra Pradesh coast from tomorrow morning. Strong winds reaching 60-70 kmph also likely to commence along and off the above coasts from tomorrow morning.

The western disturbance as an upper air system over Jammu & Kashmir and neighbourhood persists. The

induced upper air cyclonic circulation over northeast Haryana and neighbourhood persists and extends upto 1.5 km a.s.l.

The low pressure area over central parts of south Arabian Sea also persists. Associated upper air cyclonic circulation extends upto 4.5 km a.s.l.

Forecast valid 1430 hours IST of 2nd December 2005

NORTH : Rainfall/snowfall is likely at a few places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers also likely over northeastern parts of Punjab and Haryana (including Chandigarh). Mainly dry weather is likely over the rest region.

EAST : Isolated to scattered rain/thundershowers likely over coastal & south Orissa from tomorrow. Isolated rain/thundershowers also likely over south Chhattisgarh from 1st December. Weather will be mainly dry over the rest region.

SOUTH : Rain/thundershowers likely at a few places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry, Coastal Andhra Pradesh 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 coastal Tamil Nadu & Pondicherry and Coastal Andhra Pradesh from tomorrow morning for next 2-3 days. Isolated heavy rainfall also occur over interior Tamil Nadu and Andhra Pradesh from 1st.

Strong winds with speed reaching 60-70 kmph likely along & off north Tamil Nadu and south Andhra Pradesh coasts from tomorrow. State of sea will be very rough. 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 with isolated heavy to very heavy rains likely over south Peninsula.

Source: GOI (IMD)

FOREX RATES (29.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.92
European Union	Euro	54.29

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