

OILMEAL

5th November, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Market Remained Stable
- November Soymeal at NCDEX Remained Stable

COMMENTARY

DOMESTIC MARKET

Soy meal

Soymeal prices remained stable at most of the places, with slight variations at some places. The activity levels in the market hasn't picked up yet in the markets and sluggishness after the festivals remained intact. Also there was very thin trading in the most active November contract of soymeal at NCDEX which culminate at its previous close. The markets remained subdued at most of the places during the entire week on account of festivals. Trading activities are expected to improve on Monday onwards. The demand is still low on export front as Indonesian and Malaysian markets are at halt on account of festivals. Yet another case of avian flu in China, fourth in last month, may hit further the already subdued market. The activity in the markets will improve on Monday, as holidays will be over then. 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's soymeal exports totalled 102675 tons in September 2005 compared with 12875 tons in September 2004.

Soy Meal Vessel Report (04.11.05)

'Leonis' has berthed at Kandla Port and continues to load 3,000 MT of SBM to Kuwait. Able Marine agents will be handling the vessel. Loading of 11,500 MT of SBM is expected at the port on the vessel 'New Legend Star' to Vietnam. Interocean 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.

Kandla Port is expecting 'IKI' to load 15,500 MT of SBM to Japan.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	04.11.05	05.11.05
Indore	8400-8500	8350
Nanded	7900-8000	7900-8000
Dhulia/Jalna	8200-8300	8200
Kota	8300	8350

Nagpur	8200	8200
Kandla	9100	9100
Mumbai	9150	9100
Vizag(approx)	9100	9100
Sangli	8500	8400
Latur	8100	8000-8100
Morena/shivpuri	8350	8300-8400

NCDEX Soy meal Futures price (5th November'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8400.00	8400	8400	8400	00.00
Dec'05	8800.00	00.00	00.00	00.00	00.00

Rape/ Mustard meal

Rapeseed/mustard meal prices remained mixed in the day of very small activity. The markets expected to gear Monday onwards when arrivals will be seen to give some cheer to the lazy looking market. It is expected to witness some bearishness in the coming days as crushing activity in groundnut and soybean will increase supply. However, if export demand rekindles, the situation might get reversed.

In Shivpuri/ Morena, mustard meal quoted slightly down at Rs.4550 per MT, at Alwar the prices bounced to Rs.4450 MT by adding Rs 50. India exported 31025 tons of rape meal in September 2005 as compared to 52100 in September 2004.

Groundnut meal

Saurashtra Groundnut (45%) quotes remained stable at yesterday's position of Rs. 6500 per MT for cash. Most of the markets are seen subdued on account of small arrivals. Crushing activity was also subdued and the same is expected to improve steadily. India exported around 8500 MT groundnut meals in September 2005.

INTERNATIONAL MARKET

CBOT Soymeal Ended Down

December soymeal settled down 2.1 at 176.2 per ton, this was 0.6 up from the low and 3.3 of from the high.

Soymeal futures lost some of its Thursday's gains, as there was no fresh fundamental news to induce buyers. The fall in prices of soymeal was supported by oil and soybean.

The meal prices were supported initially this week, by the news that china has bought around 300000 MT soybeans from U.S. However, another case of Bird Flu (fourth in last month) in china pressured the meal prices, even dry weather conditions feared in Argentina couldn't support them.

November soybeans ended down 11.25 cents at \$5.805, January soybeans finished down 9.25 cents at \$5.92, and December soyoil ended down 59 points at 22.94 cent a pound.

Soy futures saw downward movement on Friday thanks to lack of buying support for the soy futures and some bearish factors. Diminished export demand, strong position of supplies and larger expected production were the vehicles for the south journey of soybeans. Oil futures were hammered down by falling crude prices.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	178.3	178.4	179.5	175.6	-2.10	176.1
Jan'06	179.6	179.8	180.9	177.3	-1.81	177.8

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (05.11.05)

Chief Features

During past 24 hours, fairly widespread rains with isolated heavy falls have occurred over coastal Tamil Nadu & Pondicherry and Rayalaseema. Scattered light to moderate rainfall also occurred over interior Tamil Nadu and Kerala. Chief amounts of rainfall (cm) are: Tirupathi-10, Karaikal & Nagapattiman-9 each, Pondicherry-5, Chennai-4 and Tondi, Karipur, Waltair, Triruchirapalli, Cudalore & Nidumbaserry-3 each.

Yesterday's low pressure area central parts of over south Bay of Bengal now lies over southwest Bay of Bengal &

neighbourhood. The associated cyclonic circulation extends upto 3.1 km a.s.l. Under its influence, scattered to fairly widespread rainfall is likely over south Peninsula with isolated heavy falls over Tamil Nadu & Pondicherry, Kerala & Lakshadweep.

Fair weather conditions will prevail over Jammu & Kashmir during next 3 days.

Forecast valid 0830 hours IST of 7th November, 2005

NORTH : Weather will be **mainly dry** over the region.

EAST : Weather will be **mainly dry** over the region.

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

WEST : Weather will be **mainly dry** over the region.

Warning

Isolated heavy rain is likely to occur over Tamil Nadu & Pondicherry, Kerala and Lakshadweep during next 2-3 days.

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

Light to moderate rain/thundershowers likely to continue over south Peninsula.

A fresh western disturbance as an upper air system may cause light to moderate rain/snow over Jammu & Kashmir.

Source: GOI (IMD)

FOREX RATES (05.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.41
European Union	Euro	54.19

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