

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Market Prices Improved Further
- February Soymeal at NCDEX Witnessed No Trading Activity

COMMENTARY DOMESTIC MARKET

Soy meal

Today Soymeal prices slightly improved further at physical market in most of the markets amidst good demand on export front. Export demand of Indian soymeal is improving day by day from neighbouring countries. Increasing export demand of soymeal would bring positive impact on its prices. Export demands for Indian soymeal are increased after the outbreaks of bird flu in China and other countries. Now traders prefer to import in less quantity for avoiding risk and uncertainty. Asian right now the export demand increased from China and 7500 metric tonnes of Soymeal is expected export to Vietnam and 8000 MT of SBM export expected to Japan. The frequency of bird flu outbreaks seems declining, and it is expected to more improvement in export demand for soymeal. Dry weather condition in South America is underpinning the futures prices of soymeal complex, which may also give some spill over impact on Indian soymeal prices.

Today Soymeal prices at Kandla port surged at higher levels of Rs 9150 per MT. At Mumbai port prices were Rs 8950 per MT. The buyers seemed little reluctant at higher prices but finally came forward to buy at the higher levels. In the New Year (2006), there is expected to increase in the export demand of Indian soymeal and expected to improvement in its prices also. The futures market witnessed no trading activity in January, February and March contracts of soymeal at NCDEX.

Soymeal exports in November increased 52.43% to 266,675 MT from 174,950 MT in the previous year. Total soymeal exports during this year till November rose 16.91% to 1148825 MT from 982575 MT during the corresponding period of last year. The main importers were Vietnam 85675 MT, Japan 41475 MT, Thailand 46125 MT and China 26750 MT.

Soy Meal Vessel Report (26th December'05)

Loading of 20,000 MT of SBM is continuing at Kandla Port on the vessel to 'Fonwa Star' to China. Seacrest agents is handling the vessel. 'Fu Niu Shan' is expected at the port to load 12,000 MT of SBM. The vessel will be handled by Taurus agents.

'Kwan Mo Bong' has berthed at Jamnagar Port and continues to load 7,500 MT of SBM to Vietnam. Interocean agents is handling the vessel. The port is expecting 'Kamo' to load 8,000 MT of SBM to Japan. JM baxi agents will be handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Carrying	Status	Destination
Kandla	Fonwa Star	20000	SBM	Loaded	China
	Fu Niu Shan	12000	SBM	Expected	
Jamnagar	Kwan Mo Bong	7500	SBM	Expected	Vietnam
	Kamo	8000	SBM	Expected	Japan

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	27.12.05	26.12.05
Indore	8400-8700	8300-8500
Nanded	8300	8000-8100
Latur	8100	-
Dhulia	8100-8300	8100-8300
Jalana	8300	
Kota	8100-8300	8000-8100
Nagpur	7700-8100	8100
Kandla	9150	9100
Mumbai	8950	8875
Vizag(approx)	8150	-
Sangli	8600	8400-8500
Solapur	8500	-
Morena/shivpuri	8500	8300-8500
Shivpuri	8100	-

NCDEX Soy meal Futures price (26th December'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Jan'06	7720.00	00.00	00.00	00.00	00.00
Feb'06	7900.00	00.00	00.00	00.00	00.00

Rape/ Mustard meal

NAFED is expected to buy again about 15-20 lakh tonnes when the new crop will come on minimum support price (MSP), PSP of mustard seed is Rs 1715/quintal is fixed by GOI. The cattle feed demand of mustard meal is steady

which is also supporting the high prices. NAFED is already hired two mills in Haryana for crushing of mustard seeds. Mustard oilcake was quoted in Morena Rs 5400/metric tonnes. India exported 37250 MT of rape meal in Rapeseed meal exports in November declined 24.7% to 21,725 MT from 28,850 MT in the previous year. Total export till November was 394,100 MT down 8.1% as compared to 428,425 MT during corresponding period of the previous year.

Groundnut meal

Groundnut seed demand from crushers and for direct consumption is improving, also the demand for seed from farmers for seed purpose has improved during this period. As arrivals are at moderate levels and export demand in routine the prices of seeds are expected to improve especially in Gujarat. GN oil prices are slightly improved in Gujarat due to increasing demands at retail end. GN meals were quoted in range of Rs 6000-6100 in Junagarh and Rajkot mandi. GN meal, which is used mainly as poultry and cattle feed is not expected to fall dramatically, rather it is expected to remain stable at the current levels. The Saurashtra Groundnut (40%) soymeal prices remained stable on higher levels of Rs 6100 per MT. Total groundnut export till November was 77,200 down 26.75% as compared to 105,525 MT during corresponding period of last year.

INTERNATIONAL MARKET

CBOT Closed (Due to Christmas Day)

WEATHER WATCH: (27.12.05)

Chief Features

Cold wave conditions prevailed over parts of East Madhya Pradesh, Vidarbha, Marathwada, Gujarat, Telanagana

and interior Karnataka where night temperatures were below normal by 4-5°C. They are likely to abate during next 2 days. The lowest minimum temperature recorded in the plains of the country was 2.8° C at Amritsar (Punjab).

A trough of low pressure over Andaman Sea persists. It is likely to cause scattered rainfall over the Bay islands during next 2 days.

A western disturbance lies over north Pakistan & adjoining Jammu & Kashmir as an upper air system. It may cause isolated to rainfall/snowfall over western Himalayas during next 48 hours.

Forecast valid for next 72 hours

NORTH: Isolated rain/snow likely over Jammu & Kashmir and Himachal Pradesh. Isolated light rain may also occur over Punjab.

EAST: Weather will be mainly dry over the region.

SOUTH: Rain/thundershowers likely at a few places over Andaman & Nicobar islands. Weather will be Mainly dry in the rest region.

WEST: Mainly dry weather over the region.

Source: IMD,GOI

FOREX RATES (27.12.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.20
European Union	Euro	53.50
Japan	100 Yen	38.55
United Kingdom	Pound Sterling	78.21
China	CNY	5.59

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