

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Market Prices Improved Further
- CBOT Soy Meal Futures Settle Slightly Higher
- February Soymeal at NCDEX Witnessed No Trading Activity

COMMENTARY DOMESTIC MARKET

Soy meal

Today soymeal prices at Indore spot market slightly improved. China imported Indian Soymeal about 36000 MT during this week. Indian Soymeal export is expected to Japan and Vietnam about 8000 MT and 7500 MT respectively. 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 in coming days. Now traders prefer to import in less quantity for avoiding risk and uncertainty. The prices at Indore spot market is marginally declined to Rs 8564.00 per MT from 8555.00/MT, it is slightly up Rs 9/MT as compared to previous trading day. January February and March contracts of soymeal at NCDEX witnessed no trading activity today.

Today Soymeal prices at Kandla port surged at higher levels of Rs 9175 per MT. At Mumbai port prices were Rs 9150 per MT. Overall soymeal oil prices are improved in most of the markets. 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.

Latest Soy Meal Vessel Report

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. Interoccean 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)	
	28.12.05	27.12.05
Indore	8400-8500	8400-8700
Nanded	8200-8300	8300
Latur	8100	8100
Dhulia	8100-8200	8100-8300
Jalana	8200	8300
Kota	8100-8150	8100-8300
Nagpur	7800-8200	7700-8100
Kandla	9175	9150
Mumbai	9150	8950
Vizag(approx)	9100	8150
Sangli	8500	8600
Solapur	8400	8500
Morena	8400	8500
Shivepuri	8100	8100

NCDEX Soy meal Futures price (28th December'05)

Contract	Prev Close	High	Low	Close	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 new mustard seeds about 15-20 lakh tonnes on minimum support price (MSP), MSP of mustard seed for this is Rs 1715/quintal announced 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. NAFED is decided to Sale of mustard oil at Rs 38 per Kg. 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 demands are steady in most of the market. GN oil prices are slightly improved in Gujarat due to increasing demands at retail end. GN meals were quoted remain 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 Soy Meal Futures Settle Slightly Higher

Soymeal future settled slightly higher at Chicago Board of Trade on Tuesday. March soybeans settled lower 1.25 cents at \$ 6.2375 per bushel, 8.25 cents off the high and 9.75 up from the low. May soybeans settled down 1 cent at \$ 6.3325 per bushels, 9.25 cents up from the low and 7.25 cents off the high. March Soymeal settled slightly higher \$ 0.1 at \$ 203.5 per ton, \$ 4.4 up from the low and \$ 1.0 off the high. March Soybean Oil settled lower 0.33 cents at 21.28 cents/pounds, 0.37 cents off the high and 0.07 cents up from the low. There is still dry weather in some part of Argentina and Southern Brazil; rain is required for good production. Soymeal future prices are high only due to increasing feed demands on export front. Traders are crushing soybeans for the fulfilling the export demands of Soymeal at better prices; ultimately stock of Soy oil is increasing. Increasing oil stock would bring negative impact on its prices. India exported 36000 metric tonnes of Soymeal to China during this week. Weekly export

inspections revealed at 21.53 million bushels as compared with trade expectations at 18-26 million.

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change
Jan'06	203.40	204.80	601.50	199.00	203.80	+0.40
Mar '06	203.40	205.00	205.00	199.10	203.50	+0.10

WEATHER WATCH: (28.12.05)

Chief Features

Cold wave conditions prevailed over parts of Marathwada, Gujarat and interior Karnataka where night temperatures were below normal by 4-5° C. They are likely to abate during next 1-2 days. The lowest minimum temperature recorded in the plains of the country was 3.4° C at Amritsar (Punjab).

The upper air cyclonic circulation over south Tamil Nadu & neighbourhood persists and extends upto 3.1 km a.s.l.

Forecast valid for next 72 hours

NORTH: Isolated rainfall/snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Weather will be mainly dry over the rest region.

EAST: Weather will be mainly dry over the region.

SOUTH: Isolated rain/thundershowers is likely over Andaman & Nicobar islands, Tamil Nadu & Pondicherry and Kerala. Weather will be Mainly dry in the rest region.

WEST: Mainly dry weather over the region.

Source: IMD,GOI

FOREX RATES (28.12.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.26
European Union	Euro	53.69
Japan	100 Yen	38.60
United Kingdom	Pound Sterling	78.35
China	CNY	5.59

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