

## MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Market Prices remained Stable.
- December Soymeal at NCDEX Ended With No Change

## COMMENTARY DOMESTIC MARKET

### Soy meal

Soymeal prices remained stable at most of the spot markets. However, the bird flu factor is still there to hit the demand on export front. China confirmed another outbreak of the bird flu in the country bringing the total number of bird flu epidemics in the country this year to 30. In the westernmost region of Xinjiang, some 300 farm-raised poultry died of the H5N1 strain of bird flu in Biesituobie village on November 24, the Ministry of Agriculture reported on its website. On the other hand, Jakarta reported one human death by bird flu infection. The 25-year-old woman, who tested positive for avian influenza virus in a test conducted by the Ministry of Health laboratory, died on Tuesday evening of acute pneumonia worsened by liver disease. The WHO laboratory has confirmed 12 bird flu cases in humans in Indonesia to date, with seven deaths since July. As the number of human fatalities continues to rise in the capital, more infected birds and chickens continue to be found in more districts across Greater Jakarta. According to officials at the Jakarta Animal Husbandry, Fisheries, and Maritime Affairs Agency, they had found infected birds in all municipalities in Jakarta and subsequently culled hundreds of birds there to prevent the virus from spreading to other areas and to humans. Most of the bird flu patients are believed to have been infected by sick birds in their neighborhoods. The killer disease is hitting the demand for meal which in turn tapping the prices of soymeal down.

The prices have been subdued since last three weeks, however Korean demand of around 50000 MT soymeal gave some support to the market sentiment today. The prices at Kandla port saw some improvement at Rs 8350 and at Mumbai port prices bounced to Rs 8400 for march contract, which raises some hopes for soymeal. Some January contracts were sold for Rs 8300 per MT yesterday. December soymeal at NCDEX witnessed no change in prices and remained at Rs 7700. However, January contract witnessed no trading activity today. DOC prices at Indore remained stable at lower levels in the range of Rs 7700-7800 as per quality. FAS prices were at \$182-184 per MT. The current situation for the meals is gloomy, however if some export demand as seen today comes India's way, the prices may witness some improvement.

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 (1<sup>st</sup> December'05)

Jamnagar Port is loading 5,000 MT and 13,500 of SBM respectively to Singapore and China on the vessels 'Thor Master' and 'Iran Bayan'. Avani and JM Baxi agents are handling these vessels. 'Fu Yang' has arrived at the port and continues to load 12,000 MT of SBM to Indonesia. JM Baxi agents is handling the vessel. The port is expecting 'Zara III' to load 13,000 MT of SBM to Vietnam. Interocean agents will be handling the vessel.

### DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	30.11.05	01.12.05
Indore	7700-7800	7700-7900
Nanded/Latur	7450-7600	7450
Dhulia/Jalna	7500-7600	7500-7700
Kota	7600	7500-7600
Nagpur	7100 (40%) -7500	7100 (40%) -7500
Kandla	8250 (buy) 835 (sell)	8350
Mumbai	8250 (buy) 8350 (sell)	8400
Vizag(approx)	8300	...
Sangli/Solapur	7900	7900
Morena/shivpuri	7600-7900	7600-7900

### NCDEX Soy meal Futures price (1<sup>st</sup> December'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Dec'05	7700.00	7800.00	7700.00	7700.00	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 4900 per MT. The prices have been stable within a small range for quite some time. The prices at Alwar also raised to Rs 4750 per MT yesterday as compared to Rs 4700 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. Rains in the Rayalseema area in Andhra Pradesh may cause some loss to the groundnut crop in the area. Which in turn might cause some bounce in prices. However, at the moment the prices are stable and as the arrivals and crushing will improve it may move down. 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 Higher

Soy futures at Chicago Board of Trade settled higher on ideas of oversold market. January soybean future settled up 4 cents at \$5.58 and March up 4.75 at \$5.6625 per bushel. March soybean oil up 2 points at 21.64 cents per pound. Traders relate firming up in futures with improved cash basis. Growers are holding back due to poor realization for their soybean in the local markets. There were talks of fresh Chinese interest for soy. However, majority still suspicious of Chinese demand following reports of more deaths due to bird flu. Net sales of 76,100 MT--the lowest since the marketing-year began Oct. 1--were 47 percent below the week earlier and 58 percent under the prior 4-week average. The major buyers were the Dominican Republic (17,700 MT), Egypt (15,500 MT), Canada (12,800 MT), Japan (5,800 MT), Mexico (5,700 MT), and Morocco (4,500 MT--the first activity since 2001/02). Exports of 79,400 MT were 44 percent under the previous week and 41 percent below the prior 4-week average. The primary destinations were Mexico (28,100 MT), Canada (18,600 MT), the Dominican Republic (13,700 MT), and Egypt (7,500 MT).

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. Soybean stocks were 316,137 MT; above the average trade estimate of 272,700 MT. Soybean stocks were observed at 1.864 billion pounds, above the average estimate of 1.758 billion pounds. The yield on soybean was 11.59 pounds per bushel.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	170.3	171.2	174.5	171.2	+1.5	174.5
Jan'06	170.8	172.0	174.7	171.3	+1.3	172.1

## WEATHER WATCH: (01.12.05)

### Chief Features

The cyclonic storm **BAAZ** over southwest Bay of Bengal has remained stationary near lat. 12.5°N/long. 84.0°E about 400 km east-southeast of Chennai. The system is likely to

intensify further and move slowly in a west-northwesterly direction and cross north Tamil Nadu - south Andhra Pradesh coasts between Chennai and Machilipatnam by early morning of 3<sup>rd</sup> December. Under its influence fairly widespread rainfall with isolated heavy to very heavy falls are likely over north Tamil Nadu and Andhra Pradesh coasts during next 48 hours. Gale winds with speed reaching 80-90 kmph also likely to commence along and off the above coasts by afternoon of 2<sup>nd</sup>.

The western disturbance as an upper air system over Jammu & Kashmir and adjoining Himachal Pradesh persists.

The low pressure area over central parts of south Arabian Sea also persists. Associated upper air cyclonic circulation extends upto 3.1 km a.s.l.

### Forecast valid 0830 hours IST of 4<sup>th</sup> DECEMBER, 2005

**NORTH** : Isolated rainfall/snowfall is likely over higher reaches of Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Mainly dry weather is likely over the rest region. Minimum temperature over western Himalayas and adjoining plains of northwest India are likely to fall during next 2-3 days leading to cold wave conditions.

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

**SOUTH** : Rain/thundershowers likely at a few places over extreme north Tamil Nadu, Coastal Andhra Pradesh, Andaman & Nicobar Islands and Lakshadweep and isolated over rest Tamil Nadu, 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. Isolated to scattered rainfall also likely over Karnataka from tomorrow.

**WEST** : Mainly dry weather over the 3 region.

### Warning

**Isolated to scattered heavy to very heavy** rainfall likely over north coastal Tamil Nadu & Pondicherry and Coastal Andhra Pradesh from tomorrow for next 2-3 days.

**Strong winds** with speed reaching 80-90 kmph likely along & off north Tamil Nadu and south Andhra Pradesh coasts from tomorrow. State of sea will be high to very high. 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 likely over south Peninsula.

Source: GOI (IMD)

### FOREX RATES (01.12.05)

Country/Continent	Currency	Value in Rupees
USA	Dollar	45.99
European Union	Euro	54.21

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