

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Market Prices Improved Slightly
- December Soymeal at NCDEX Witnessed no Trading

COMMENTARY DOMESTIC MARKET

Soy meal

Soymeal prices improved marginally at most of the spot markets Friday. However, the bird flu factor is still there to hit the demand on export front. The major importer countries like China, Indonesia, and Vietnam are all facing the problem of bird flu. The killer disease is hitting the demand for meal which in turn tapping down the prices of soymeal.

The prices have been subdued since last three weeks. However, the prices improved slightly during last two days. Soymeal prices at Kandla port saw some improvement at Rs 8500 per MT as compared to Rs 8350 yesterday and at Mumbai port prices bounced to Rs 8450 as compared to Rs 8400 per MT a day before. December and January soymeal at NCDEX witnessed no trading activity today. DOC prices at Indore improved slightly and traded in the range of Rs 7700-8200 as per quality. FAS prices were at \$182-184 per MT. Still, we are not very optimistic about the soymeal prices, as demand is not coming in a big chunk. Let us hope some improvement on demand front so that the meal prices firm up further.

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 (1st 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)	
	02.12.05	01.12.05
Indore	7700-8200	7700-7900
Nanded/Latur		7450
Dhulia/Jalna	7500/7800	7500-7700
Kota	7700-7800	7500-7600
Nagpur	7200(40%) -7600	7100 (40%) -7500
Kandla	8500	8350
Mumbai	8450	8400

Vizag(approx)
Sangli/Solapur	8000	7900
Morena/shivpuri	7800/8100	7600/7900

NCDEX Soy meal Futures price (2nd December'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Dec'05	7700.00	00.00	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 to Rs 5000 per MT levels as compared to Rs 4900 per MT. The prices have been stable within a small range for quite some time. This is the period of declining stocks and we are not going to see any sharp fall in the prices of mustard meal. Further, the crushing activity has shifted towards soybeans as demand for mustard oil has decreased and stocks are good, causing supply shortages which in turn is supporting the higher prices. The prices at Alwar also remained stable at Rs 4750 per MT. 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

Groundnut production this year is expected to be higher as compared to previous year. Harvesting of groundnut crop in southern India is going on. Rains are expected in the groundnut crop area, which may harm the same. In that situation we can expect the prices to firm up further. However, today the Saurashtra Groundnut (45%) quotes remained stable at Rs 6500. 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 Lower

Soymeal futures at CBOT ended higher on lower than expected weekly export sales and some technical buying. January soymeal settled \$0.40 higher at \$172.50 per ton. Soybean futures at the Chicago Board of Trade ended a volatile session firm on Thursday, as technical buying supported the futures. January soybeans closed 1.75 cents higher at \$5.5975. The futures moved in both direction as

bearish weekly export sales, improved crop conditions in South America and bird flu worries applying downward pressure and oversold market conditions limited selling interest near the lows, with commercial buying due to tight farmer holding keeping cash bids firm. January soyoil ended 2 points lower at 21.27 cent a pound. Soyoil futures ended mixed following the volatile trend in the complex, as speculative selling pressured the prices and commercial buying supplied underlying support. . 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).

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	171.8	171.5	173.7	171.5	+0.5	172.3
Jan'06	172.1	171.8	173.9	171.8	+0.5	172.5

WEATHER WATCH: (02.12.05)

Chief Features

The cyclonic storm BAAZ over southwest Bay of Bengal near lat. 12.5°N/long. 83.5°E about 350 km east-southeast of Chennai remained stationary and weakened into a deep depression at 1730 IST of 1st December. It moved northwestwards and further weakened into a depression at 0530 hrs. IST of 2nd December near lat. 13°N/long. 82.5°E about 250 km east of Chennai. Since then, the depression was stationary till 0830 hrs. IST of today. The system is likely to move westnorthwestwards and cross extreme north Tamil Nadu - south Andhra Pradesh coasts between Chennai and Ongole by tonight. Under its influence fairly widespread rainfall with isolated heavy falls are likely over extreme north coastal Tamil Nadu and Coastal Andhra Pradesh coasts during next 48 hours. Strong winds with speed reaching 50-60 kmph also likely to commence along and off the above coasts by today evening.

The western disturbance as an upper air system over Jammu & Kashmir and adjoining Himachal Pradesh is moving away east-northeastwards. Cold wave conditions are prevailing over parts of Punjab, Haryana, Delhi and West Rajasthan.

The low pressure area over southeast and adjoining eastcentral Arabian Sea persists. Associated upper air cyclonic circulation extends upto 3.1 km a.s.l.

Forecast valid 0830 hours IST of 4th 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 the3 region.

Warning

Forecast valid 0830 hours IST of 5th DECEMBER, 2005

NORTH : Mainly dry weather is likely over the region.

EAST : Weather will be mainly dry over the region.

SOUTH : Rain/thundershowers likely at many places over north Tamil Nadu, Coastal Andhra Pradesh, Rayalaseema and Andaman & Nicobar Islands at a few places over South Interior Karnataka, south Tamil Nadu, Kerala and Lakshadweep and isolated over the rest region.

WEST : Isolated Rain/thundershowers likely over Konkan & Goa. Mainly dry weather over the rest region.

Warning

Isolated heavy rainfall likely over Andaman & Nicobar Islands, north Tamil Nadu & Pondicherry and Coastal Andhra Pradesh.

Strong winds with speed reaching 50-60 kmph likely along & off north Tamil Nadu and south Andhra Pradesh coasts from today evening. State of sea will be rough 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 :

Moderate rainfall likely over south Peninsula.

Source: GOI (IMD)

FOREX RATES (02.12.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.12
European Union	Euro	54.08

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