

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Prices were quoted marginally low on Physical Market
- CBOT Soy Meal Futures Settle Slightly Lower

COMMENTARY DOMESTIC MARKET

Soy meal

Today soy meal prices were weak at Kandla and Mumbai port and it seems that the market sentiments of soymeal were weak in most of the markets. Demand for soymeal has been good in international markets. Recently, India has clinched a deal of 36000 ton of soymeal for export to China. Importers informed that few more orders are likely shortly from other Asian nations. Due to increased cases of bird flu in Asian nations, soymeal markets have become highly volatile in Asian countries and they do not want to take chance by importing big Penmax vessels from American continents. So, proximity and good quality of Indian produce has been rendering edge to Indian exporters. The prices at Indore spot market slightly weak to Rs 8400-8600 per MT from 8550-8600/MT. Again, there was no trading in 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 to Japan. 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. Inter ocean 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.

Mumbai Port is expecting 'Badalu Valley' to load 3,000 MT of SBM. The vessel will be handled by Sai Freight agents.

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 |
| Mumbai | Badalu Valley | 3000 | SBM | Expected | - |

DOC rates at different centers

| Places | Ex-factory rates (Rs/ton) | |
|---------------|---------------------------|-----------|
| | 30.12.05 | 29.12.05 |
| Indore | 8400-8600 | 8550-8600 |
| Nanded | 7950-8150 | 8300-8350 |
| Latur | 7950-8150 | 8200 |
| Dhulia | 8100 | 8150-8250 |
| Jalana | 8100 | 8250 |
| Kota | 8000 | 8150-8200 |
| Nagpur | 7600 (41%), 8000(45-46%) | 7900-8250 |
| Kandla | 8975-9000 | 9180 |
| Mumbai | 8900-9000 | 9175 |
| Vizag(approx) | 9050 | 9150 |
| Sangli | 8500 | 8550 |
| Solapur | 8400 | 8450 |
| Morena | 8400 | 8450 |
| Shivepuri | 8000 | 8150 |

NCDEX Soy meal Futures price (29th 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

Crushing of rapeseed has declined due to subdued demand of rape oil in the domestic markets. Since, oil recovery is higher in rapeseed compared to other oilseeds, crushing of rapeseed is being done mainly for oil. Low crushing of rapeseed has simultaneously kept control over supply of rapemeal. So, prices of rapemeal held steady levels due to limited supply. Mustard oilcake was quoted in Morena Rs 5250/MT, while it was quoted Rs 5450/metric tonnes on Yestarday. 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 meal markets continued to see stable trend. Arrivals of seed are shrinking in major producing mandis. Demand for GN meal usually increases in winter season from livestock feed industry. Though demand for the GN oil is not very aggressive, crushing is likely to be increased due to good demand for the GN meal. GN meals were quoted Rs 6250 in Gujarat mandi. The Saurashtra Groundnut (40%) meal prices continued to hold higher at 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 Lower

Soy meal future further settled lower at Chicago Board of Trade. March Soybeans settled down 13.5 cents at \$ 6.0875 per bushel, 16.25 cents off the high and 1.25 up from the low. May Soybeans settled down 12.25 cents at \$6.1775 per bushel, 1.75 cents up from the low and 15.75 cents off the high. March Soymeal settled down 4.8 cents at \$ 1.978 per bushel, 0.2 cent up from the low and 5.6 cents off the high. March Soybean oil settled down 0.06 cent at \$ 2.116 per bushel, 0.64 cent off the high and 0.08 cent up from the low. March soybean has attained the lowest level within last two weeks. Weakening in the prices is due to additional selling due to the first day notice for the January contract. Traders are looking for the hefty deliveries of soybean and soybean oil. Dry soils in some of the major producing areas in Argentina are the major concern. Dry weather forecasted for Argentina, but rain is required for good production.

CBOT Soymeal futures as on December 28, 2005 (Unit: \$/MT)

| Contract | Prev Close | Open Price | High Price | Low Price | Close Price | Change (\$) |
|----------|------------|------------|------------|-----------|-------------|-------------|
| Jan'06 | 198.1 | 197.6 | 197.6 | 196.8 | 196.8 | -1.30 |
| Mar '06 | 197.8 | 197.2 | 197.2 | 196.8 | 196.8 | -1.00 |

WEATHER WATCH: (30.12.05)

Chief Features

A western disturbance lies over Pakistan as an upper air system. Under its influence, scattered to fairly wide spread rain/snowfall is likely to commence over the western Himalayas and scattered rainfall over the plains of Punjab,

Haryana (including Chandigarh & Delhi), north Rajasthan and Uttar Pradesh from tomorrow for next 2-3 days.

Under this scenario the prevailing cold wave conditions over parts of Punjab and Haryana are likely to abate during next 24 hours as the night temperatures are likely to increase by 2-3° C.

With the expected eastward movement of the western disturbance, cold wave/fog is likely to return over northwest India around 3rd January 2006. The lowest minimum temperature recorded in the plains of the country was 1.4° C at Ludhiana (Punjab).

The upper air cyclonic circulation over Kerala and neighbourhood now lies over southeast Arabian Sea and extends between 1.5 and 3.1 km a.s.l. Another upper air cyclonic circulation lies over southwest Bay of Bengal extending upto 3.1 km a.s.l.

Forecast valid 72 hours

NORTH : Scattered rainfall/snowfall is likely to commence over Western Himalayas and isolated to scattered rain/thundershowers over the plains of Punjab, Haryana (Chandigarh & Delhi) and West Uttar Pradesh from 31st December.

EAST : Weather will be mainly dry over the region.

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

WEST: Mainly dry weather over the region. **Isolated rain/thundershowers** likely over north Rajasthan from 1st January.

Warning Isolated heavy rain/snow likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal during 1st to 3rd January.

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

Decrease in rainfall/snowfall activity over northwest India. Fog/cold waves likely over some areas.

Source: IMD,GOI

FOREX RATES (30.12.05)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------------|-----------------|
| USA | Dollar | 45.07 |
| European Union | Euro | 53.55 |
| Japan | 100 Yen | 38.44 |
| United Kingdom | Pound Sterling | 77.89 |
| China | CNY | 5.58 |

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

