

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Prices Were on Higher Side in Physical Markets
- NCDEX January Soymeal Future Witnessed No Trading Tuesday

COMMENTARY DOMESTIC MARKET Soy meal

The soymeal market has started the New Year on a positive note and is continuing its gaining streak on some steady demand from the neighbouring countries. Today soymeal prices at most of the spot market remained on the higher side. The prices at Indore spot market also gained smartly on good demand. Demand is consistent and supporting the prices on export front. The recent easing in tariff for oil imports shown no impact on the prices of already lower oil prices. The higher soymeal prices at the stage are inducing the crushing activity and the same is running smoothly. Good demand is balancing the supplies and the prices are maintaining their higher levels. As the weather conditions in the Argentina are not conducive for the crop, the production might get affected if the current situation prevails for long time. However, good crop condition in Brazil and good stock position with U.S. are still bearish factors for the market. But Indian meal is enjoying the benefits of good quality and ease of shipping in lower chunks. Export demand of Indian soymeal is expected to remain steady from here on. The prices at Indore spot market bounced today and traded in the range of Rs 8500-8800 per MT as compared to the previous day's trading range of Rs 8200-8300. January and February contract of soymeal at NCDEX witnessed no trading activity today. As the demand is coming in trickles and supply is also on moderate levels, we expect prices to remain steady if not climbing. 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

Mumbai Port is expecting 'Badalu Valley' to load 3,000 MT of SBM. The vessel will be handled by Sai Freight agents. Mumbai Port is loading 3,000 MT of SBM on the vessel 'Badulu Valley'. Sai Freight agents is handling the vessel. '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 loading 8,000 MT of SBM to Japan on the vessel 'Kamo'. JM baxi agents is handling the vessel. Loading of 12,100 MT of SBM is expected at the port on the vessel 'Iran Ehsan' to China. The vessel will be handled by Interocean agents. 'Fu Niu Shan' is expected at Kandla Port to load 12,000 MT of SBM. The vessel will be handled by Taurus agents.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Carrying	Status	Destination
Kandla	Forwa Star	20000	SBM	Loaded	China
	Iran Ehsan	12100	SBM	Expected	China
	Fu Niu Shan	12000	SBM	Expected	
Jamnagar	Kwan Mo Bong	7500	SBM	Loading	Vietnam
	Kamo	8000	SBM	Loading	Japan
Mumbai	Badalu Valley	3000	SBM	Loading	-

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	03.01.06	02.01.06
Indore	8500-8800	8200-8300
Nanded	8200	8000
Latur	8300	8200
Dhulia	8400	8200
Jalana	8300	8200
Kota	8100-8200	8100-8200
Nagpur	7800 (41%), 8200(45-46%)	7500 (41%), 7900(45-46%)
Kandla	9200	9100
Mumbai	9200	9100
Vizag(approx)
Sangli	8600	8500
Solapur	8500	8400
Morena	8450	8300
Shivepuri	8050	7900

NCDEX Soy meal Futures price (3rd Jan'06)

Contract	Prev Close	High	Low	Close	Change
Jan'06	8600.00	00.00	00.00	00.00	00.00
Feb'06	9050.00	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. Also the supply of oil in the domestic market is high causing lower oil prices. Since, oil recovery is higher in rapeseed compared to other oilseeds, crushing of rapeseed is mainly done for oil. Thus lower prices are causing low crushing of rapeseed, which in turn is resulting in lower supply of Mustard meal. So, the prices of rape meal are stable at higher levels due to limited supply. Mustard oilcake was quoted in Morena Rs 5150/MT, while it was quoted Rs 5250/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. Higher prices of soymeal negate any sort of increase in use of it in cattle feed and thus demand for GN meal is steady and good. 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 (40%) were quoted stand still at Rs 6250 on credit and Rs 6000 on cash in Saurashtra. 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 futures settle lower on Chicago Board of Trade on Friday. March soybean future settled up 4.75 cents at \$ 6.135 per bushel, 0.50 cents off the high and 9 cents up from the low and May soybean settled higher 4.25 cents at \$ 6.22 per bushel, 8.5 cents up from the low and 1 cent off the high. March soymeal settled lower \$ 1.5 at 196.3 per metric tonnes, \$ 1.3 up from the low and \$1.5 off the high. March Soybean Oil settled higher 0.74 cents at 21.9 cents/pounds, 0.1 cent off the high and 0.78 cents up from the low. There were talks about forecast of scattered rain in Argentina. USDA weekly export sales were friendly. Weekly export sales for soybean were higher than trade expectations and export sales for soymeal and soyoil were within range of trade expectations. USDA weekly export sales for soybeans came at 906,200 metric tonnes as compared to trade expectations range of 550,000-750,000. Soybean meal sales came at 81,800 metric tonnes as compared to trade expectations range of 75,000-125,000. Oil sales came at 7,500 tonnes as compared to trade expectations between 5,000-15,000 tonnes.

CBOT Soymeal futures as on December 30, 2005 (Unit: \$/MT)

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change (\$)
Jan'06	198.1	197.6	198.3	195.5	197.3	-0.80

Mar '06	197.8	197.2	197.5	195.3	196.3	-1.50
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WEATHER WATCH: (03.01.06)

Chief Features

The western disturbance as an upper air system over Jammu & Kashmir persists.

The induced low pressure area over West Uttar Pradesh and adjoining Uttaranchal and the associated upper air cyclonic circulation have become less marked.

The above systems have caused fairly widespread rain/snowfall with isolated heavy to very heavy snowfall over Jammu & Kashmir, Himachal Pradesh and Uttaranchal and scattered rainfall over the plains of Punjab, Haryana (including Chandigarh & Delhi) and north Rajasthan. Heavy to very heavy snowfall over higher reaches of Jammu & Kashmir, Himachal Pradesh and Uttaranchal is likely to continue during next 1-2 days.

The temperatures over northwest India are now likely to fall tomorrow onwards leading to cold wave/fog over the region.

The upper air cyclonic circulation over Sri Lanka & neighbourhood now lies over south east Arabian sea and extends upto 1.5 km a.s.l.

Forecast valid 1430 hours IST of 6th JANUARY, 2006

NORTH: Rainfall/snowfall is likely at many places over Himachal Pradesh and Uttaranchal and at a few places over Jammu & Kashmir during next 1-2 days. Only isolated rain/thundershowers are likely over sub-mountainous regions of Punjab and over West Uttar Pradesh for next 24 hours only. Fog is likely over Punjab, Haryana, Delhi and West Uttar Pradesh from tomorrow. Weather will be mainly dry over the rest region.

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: Weather will be mainly dry over the region. Fog is likely over north Rajasthan.

Warning

heavy to very heavy rain/snow likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal during next 1-2 days.

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

Fog and cold waves/Cold day conditions likely over some areas of northwest India and Gangetic plains.

Source: IMD,GOI

FOREX RATES (03.01.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.95
European Union	Euro	53.46
Japan	100 Yen	38.34
United Kingdom	Pound Sterling	77.72
China	CNY	5.57

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