

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Prices Were Mixed on Physical Markets
- CBOT Soy Meal Futures Witnessed no Trading

COMMENTARY DOMESTIC MARKET Soy meal

Today soymeal prices at most of the spot market remained mixed. The prices at Indore spot market slipped slightly as the recent holiday season reduced the export demand. As the international markets will open on Tuesday, we might see some demand coming from the neighbouring countries to support the prices. China, Vietnam and Japan are expected to import Indian Soymeal about 12000 MT, 7500MT and 8000 MT respectively. Export demand of Indian soymeal is expected to remain steady from here on. The prices at Indore spot market slipped slightly today to Rs 8200-8300 per MT range from 8540/MT on the previous trading day. January February and March contracts 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

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. Interocean 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)	
	31.12.05	02.01.06
Indore	8540	8200-8300
Nanded	8100-8150	8000
Latur	8100-8150	8200
Dhulia	8100	8200
Jalana	8100	8200
Kota	8000	8100-8200
Nagpur	7600 (41%), 8000(45-46%)	7500 (41%), 7900(45-46%)
Kandla	8975-9000	9100
Mumbai	8900-9000	9100
Vizag(approx)	9050	...
Sangli	8500	8500
Solapur	8400	8400
Morena	8400	8300
Shivepuri	8000	7900

NCDEX Soy meal Futures price (2nd December'06)

Contract	Prev Close	High	Low	Close	Change
Jan'06	8600.00	00.00	00.00	00.00	00.00
Feb'06	8100.00	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. 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 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

WEATHER WATCH: (02.01.06)

Chief Features

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

The induced low pressure area over northeast Rajasthan & neighbourhood persists. The associated upper air cyclonic circulation extends upto 2.1 km a.s.l with a trough aloft.

Under this scenario, fairly widespread rain/snowfall is likely over the western Himalayas and scattered rainfall over the plains of Punjab, Haryana (including Chandigarh & Delhi), north Rajasthan and West Uttar Pradesh for next 2 days. The system is likely to cause isolated heavy to very heavy snowfall over higher reaches of Jammu & Kashmir, Himachal Pradesh and Uttaranchal during next 2 days. This weather activity over northwest India is likely to decrease from 4th.

Under the influence of above Western Disturbance, the night temperature over North west India have increased and are 2-6 deg C above normal. They are likely to remain normal to above normal for another 2 days and may fall thereafter leading to cold wave/fog over the region from 4th onwards.

The upper air cyclonic circulation over Sri Lanka & neighbourhood persists and extends upto 2.1 km a.s.l.

Forecast valid 1430 hours IST of 5th JANUARY, 2006

NORTH : Fairly widespread rainfall/snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Rain/thundershowers are likely at a few places over of Punjab, Haryana (Chandigarh & Delhi) and isolated over West Uttar Pradesh for next 2 days which will decrease from 4th January onwards. Weather will be mainly dry over East Uttar Pradesh.

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 : Scattered rain/thundershowers are likely over north Rajasthan and isolated over rest Rajasthan. Weather be mainly dry over rest of the region.

Warning

Isolated heavy to very heavy rain/snow likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal during next 2-3 days.

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 (02.01.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.05
European Union	Euro	53.28
Japan	100 Yen	38.32
United Kingdom	Pound Sterling	77.51
China	CNY	5.58

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