

OILMEAL

23-28 Jan'06

MAJOR ACTIVITY HIGHLIGHTS

- India's Oil Meal Exports data of April - December '05
- All India Production Estimate for Soybean, Groundnut and Mustard for '05
- Latest Weather Watch

NEWS ANALYSIS

Export of Oilmeal Increased This Year (April to December'05)

Indian Oilmeals export during the financial year 2005-06 (9 months) increased by 23.1% as compared to the export during the same period previous year. India exported 20402125 MT of Oilmeals during this period (April-December) according to SEA of India release. The main surge in export was seen in Castor meal (261%), Rice Bran Ex.(40.3%) and Soymeal(23.1%). However the export of

GN meal were down during this period as compared to previous year by 9.8%. According to SEA, groundnut meal exports fell during this period mainly on account of lower crush margin. Despite the bird flu fears and bearish factors in the overseas meal markets, the Indian meals export recorded growth due to its attractive prices and good quality.

Export of Oilmeal (Extractions) from April to December '05 with comparative period of previous year (Qty. in M.T.)

Month	S.B.EXT	R.S.EXT.	G.N.EXT	R.B.EXT.	S.F.EXT.	CST.EXT.	TOTAL
April 2005	99,250 366,625	90,900 96,000	12,950 14,800	---	---	17,800 ---	220,900 477,425
May 2005	156,100 278,300	69,650 100,875	3,025 44,750	6,875 ---	---	50,200 ---	285,850 423,925
June 2005	115,750 94,500	53,975 45,575	8,900 30,475	12,675 5,800	---	20,225 6,200	211,525 182,550
July 2005	135,550 19,250	45,750 54,400	17,700 2,300	16,500 ---	---	11,525 ---	227,025 75,950
August 2005	112,575 17,325	43,825 33,325	15,100 8,750	5,033 5,761	---	11,325 15,225	187,858 80,386
September 2005	102,675 12,875	31,025 52,100	8,500 ---	---	---	15,950 ---	158,150 70,725
October 2005	160,250 18,750	37,250 17,300	8,825 4,450	---	---	3,100 7,225	209,425 47,725
November 2005	266,675 174,950	21,725 28,850	2,200 ---	12,867 11,820	---	18,225 ---	321,692 215,620
December 2005	49,295 303,750	47,400 40,375	18,000 ---	6,500 13,925	750 460	14,100 16,275	579,700 374,785
Total (Apr.-Dec.'05)	1,641,775	441,500	95,200	60,450	750	162,450	2,402,125
(Apr.-Decct.'04)	1,286,325	468,800	105,525	43,056	2,176	44,925	1,950,807
2004-2005(F.Y.)	1,861,325	588,805	121,475	43,056	---	70,750	2,685,411
2003-2004(F.Y.)	2,683,675	447,050	126,750	---	---	65,550	3,323,025
2002-2003(F.Y.)	1,333,318	455,533	15,225	---	---	92,445	1,896,521

2001-2002(F.Y.)	2,509,207	313,012	101,001	---	---	97,557	3,020,777
2000-2001(F.Y.)	2,182,142	62,968	18,609	---	---	72,919	2,336,638

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS

Soymeal Futures at CBOT Ended Higher

The entire soy complex at CBOT closed firm on the last trading day of the week. March Soybeans settled high 16.25 cents at \$5.8925/bushel, 1.25 cents off the high and 15.25 cents up from the low. May Soybeans settled up 15.25 at \$5.9975 per bushel, which was 14.25 cents up from the low and 1.75 cents off the high. March Soymeal settled up \$6.1 at \$186.4 per ton, which was \$4.1 up from the low and \$0.4 off the high. March Soybean Oil settled up 0.54 cent at 22.05 cent a pound, 0.05 cent off the high and 0.3 cent up from the low. March soybean is closed at its highest level since 10th January due to forecast of hot and dry weather in Argentina for next week. The technically inspired buying supported the prices initially, and then the short covering buying at higher levels came into play when the meaningful resistances were breached forcing the prices further high. Heat and dryness in Argentina's soybean-growing regions, with forecasts calling for temperatures to climb toward 100 degrees Fahrenheit during the weekend,

was a fundamental feature that supported prices. The soy futures got further support from the jump in soy meal futures. Soy meal futures spurted to three-week highs, propelled by technical buying. Soy oil futures made strong jump, in tune with the gains in soybeans, managing to fill a technical chart gap left from Jan. 12. According to the USDA weekly exports sales report, soybean sales of 521,900 MT were 59% below the previous week and 32% under the prior 4-week average. However, net sales of 189,100 MT of soy meal were 20% above the week earlier and 2.1 times the prior 4-week average. The main buyers were El Salvador (59,700 MT), Cuba (35,900 MT), the Dominican Republic (30,500 MT), Mexico (30,300 MT), Canada (17,600 MT), and Colombia (12,600 MT). Exports of 104,600 MT were 46% below the previous week and 11% under the prior 4-week average. The major destinations were Japan (35,200 MT), Canada (27,700 MT), and Mexico (19,100 MT).

CBOT Soy meal Futures as on 20th January '06

Months	Previous Settle	Open	High	Low	Change	Close
Mar '06	180.3	183.0	186.8	176.0	186.4	+6.1
May '06	181.9	184.5	187.7	178.0	187.4	+5.5

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

Soy meal prices saw some improvement towards the end of the week at the domestic spot markets. Soy meal prices at ports also improved slightly during the week. CBOT soy meal futures saw technical buying resulting in jump in the prices. The prices also got some support from the dry weather conditions prevailing in Argentina, the major producer of the soybeans. We are in the phase of the market where the demand is intermittent and haggling; at the same time the sellers are also not looking on a hurry and looking for the right prices. We expect the prices to remain steady to slightly improving.

The week was characterised by stable to slightly improving soy meal prices and lower activity levels on the export front with slightly improving prices. The prices at most of the spot markets remained stable during the week. Prices at Indore spot market remained almost stable and traded in the range of Rs 8400-8600 per MT as per quality on Saturday. The prices were in the same range during the last weekend. The soy meal prices at ports however witnessed some good improvement towards the end of the week on improved soy futures prices at CBOT. The prices at Kandla port improved to Rs 9350 per MT as compared to Rs 9150 per MT last week. The futures market of soy meal witnessed trading in very thin volumes during the week. The April contract slipped initially on Monday to Rs

8206 per MT and then surged towards the end of the week to close at a gain of Rs 345 per MT at Rs 8945 per MT. Rs8460 per MT levels as compared to Rs 8584 per MT on the previous weekend. The contract traded in the range of Rs 9005-8206 during the week.

The soy meal prices are expected to remain slightly improving to stable, however, any strong surge is not expected. The prices will improve once the arrivals of soybean fall and stocks come in the stronger hands capable of snatching higher prices.

Soy meal export during December increased 62.28% to 492950 MT. The exports of soy meal rose to 1641775 MT (23.1%) during last 9 months (April-Dec). This growth was recorded the scenario of lower demand due to bird flu fears and other bearish factors like piling stock positions with the western counterparts. The Indian soy meal snatched demand on its attractive prices and good quality. Further the neighbouring countries found it easier to buy in small lots in the period of uncertainty in feed demand. The major destinations were, Japan (93,275 MT), China (84975 MT), Indonesia (81875MT), South Korea (74575 MT), Vietnam (73925 MT) and Thailand (31275 MT) in SE Asia and Jordan (27850MT) in Middle East.

NCDEX Soy meal Futures price (28th January 06)

	Prev Close Price	High Price	Low Price	Close Price	Change
April'06	8945.00	00.00	00.00	00.00	00.00
March'06	8693.00	00.00	00.00	00.00	00.00

Soy Meal Vessel Report (28.01.06)

Kandla Port is loading 17,000 MT of SBM to Ulsan on the vessel 'Pan Bright'. The vessel is being handled by Taurus agents. 'Asha Himani' is expected at Kandla Port to load 3,000 MT of SBM to Hodaiah. Hind Shipping agents will be handling the vessel. Loading of 13,000 MT of SBM is expected at the port on the vessel 'Bao Heng Men' to Japan. Taurus agents is handling the vessel. Jamnagar Port is

loading 11,000 MT of SBM on the vessel 'Noto III' to Thailand. The vessel is being handled by JM Baxi agents. Loading of 13,200 MT of SBM is continuing at Jamnagar Port on the vessel 'Asean Victory' to Thailand. Nilhat agents is handling the vessel. The port is expecting 'Iran Kolhadoo' to load 11,000 MT of SBM to China. The vessel will be handled by Seacrest agents. 'Asha Himani' has berthed at Mumbai Port and is continuing to load 5,000 MT of SBM to Hodaiah. Shaan Marine agents is handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Carrying	Status	Destination
Kandla	Skipped Ali	5700	SBM	Expected	
	Pan Bright	17000	SBM	Expected	Ulsan
	Bao Heng Men	13000	SBM	Expected	Japan
	Asha Himani	3000	SBM	Arrived	Hodaiah
Jamnagar	Asean Victory	13200	SBM	Loading	Thailand
	Iran Kolhadoo	11000	SBM	Expected	China
	Noto III	11000	SBM	Loading	Thailand
Mumbai	Asha Himani	5000	SBM	Arrived	Hodaiah
	Seven Star	6000	SBM	Loading	-

Rape/ Mustard meal

The Mustard meal prices were seen falling this week as the bearish phase of the market is stepping in. Fresh arrivals of rapeseed have started and around 1000 bags of the fresh mustard seeds were seen in the Kota mandi. It is now the time of bearish phase of the mustard meal to step in and the prices will gradually slip down as and when the arrivals and crushing of the mustard seed improves. Export market will also see some improvement in the activity levels in the times to come, right now the trading is feeble as the bid ask spread is wide enough to negate any trading at ports. At The crop is still expected to be higher from previous year despite some losses due to frost. The seed prices may remain stable at this moment until arrivals gears up.. The prices at domestic market will witness weakness as and when the arrivals and crushing finds momentum. The Mustard oilcake was quoted in Morena Rs 4600/MT on the last trading day of the week, while it was quoted Rs 4800/metric tonnes in the previous week. At the Kandla port the week saw some activity and the mustard meal was traded at Rs 5000 per MT.

Exports of Rapeseed meal during December 05 increased 17.39% to 47400 MT, however, the export for the period between April to December fell 5.8% to

441500 MT from 468800 MT during the same period of 2004. The main destinations were, South Korea (27850), Taiwan (9500MT), Thailand (6500MT) and Indonesia (2550MT).

Groundnut meal

The week saw nothing new in GN Meal market and prices remained steady at the earlier levels. The arrivals of GN are diminishing in the major producing areas. The prices are almost steady. As the demand for Groundnut meal increases in winter season from the livestock feed industry, crushing of GN is done on support of GN meal prices as the oil prices are down at stage due to increased supply. The oil stocks have increased as the crushing in soybean is running at full throttle due to good demand and price of soymeal from the overseas markets. At the moment the crushing activity is expected to witness some sluggishness, which would support the prices in maintaining the current levels. GN meals (40%) were quoted stand still at Rs 6200 on credit and Rs 6000 on cash in Saurashtra.

GN Meal exports during December were 18000 MT according to reports of SEA of India. The export fell 9.7% to 95200 MT during April to December 2005 from 105525 MT during same period in 2004. The major destinations were china (14800 MT) and Indonesia (2550 MT).

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
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	28.12.05	21.01.06
Indore	8450-8650	8400-8600
Nanded	8400-8500	8300-8400
Jalna/Dhulia	8400-8500	8300
Kota	8200	8000-8100
Kandla	9350 (9300(b)-9500(a)	9150
Mumbai	9350 (9300(b)-9500(a)	9150
Vizag
Sangli	8700	8600

WEATHER WATCH: (28.12.05)

Chief Features

Yesterday's western disturbance as an upper air system over north Pakistan and neighbourhood now lies over north Pakistan and adjoining Jammu & Kashmir. Under its influence an induced upper air cyclonic circulation has formed over west Rajasthan and neighbourhood extends up to 0.9km a.s.l. These systems are likely to cause scattered to fairly wide spread snowfall over Jammu & Kashmir and Himachal Pradesh and scattered snowfall over Uttaranchal. Isolated rain also likely over plains of north India. Cold wave conditions continued to prevail over Marathwada, Telangana and parts of. Madhya Maharashtra, Vidarbha, Orissa, and north Interior Karnataka. Minimum temperatures are likely to increase by 3-4 deg C during next 2-3 days over northwest India and subsequently over central India. Lowest temperature of 3.6 deg C in the plains of the country was recorded at Amritsar (Punjab). . The trough of low pressure over southwest Bay of Bengal persists.

Forecast valid 0830 hours IST of 31st JANUARY, 2006

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.11
European Union	Euro	53.52
Japan	100 Yen	38.15
United Kingdom	Pound Sterling	78.10

USDA Monthly Export Sales Highlights (12th Jan'06)

The US Department of Agriculture put ending stock of US soybean for year 2005-06 at 13.74 million ton against its previous estimates of 11.02 million ton. Production of soy for Argentina increased to 13.92 million ton as compared to 13.64 in December; similarly production estimates for Brazil were also increased to 16.48 million MT from 14 million MT. The USDA pegged Soybean oil stocks at a whopping 1.12 million tonnes from 1.06 million MT last month. World ending stocks for soybeans for the 005/2006 seasons were pegged at a new all-time record high of

NORTH : Rain/snow is likely at many places over Jammu & Kashmir and Himachal Pradesh; at a few Places over Uttaranchal. Isolated rain/thundershowers also likely over Punjab and north Rajasthan. Weather will be mainly dry over the rest region.

EAST : Weather will be mainly dry over the region.

SOUTH : Isolated rain/thundershowers likely over south coastal Tamil Nadu and Kerala. Weather will be Mainly dry in the rest region.

WEST : Weather will be mainly dry over the region.

Warning

Isolated heavy Rain/snow likely over Jammu & Kashmir and Himachal Pradesh during next 2 days .

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

Rain /snow likely over west Himalayan region is .likely to increase

Source: IMD, GOI.

53.15 million tonnes from 48.11 million tonnes last month and from 42.09 million tonnes this past season. The higher world stocks numbers came mostly from weaker demand and higher productions. The ending stocks for U.S. soymeal for the 2005/2006 were constant at 0.23 million MT, the world ending stock position of soymeal however increased to 5.17 million MT from 4.04 million MT last month.

All India Statewise Production Estimates of Soybean, Groundnut and Mustard During 2005.

Area in Lakh Ha. Yield in kg per ha, Production in lakh MT

Name of the state	Soyabean		Groundnut		Mustard/Rapeseed	
	Yr.05-06	Yr. 04-05	Yr.05-06	Yr.04-05	State	Yr.05-06
Madhya Pradesh	33.50	34.5	1.5	1.5	Uttar Pradesh	8.5
Maharashtra	19.50	17.0	02.00	3.5	Rajasthan	29.0
Rajasthan	5.00	4.2	2.5	2.2	Punjab Haryana	9.0
Andhra Pradesh	1.30	0.2	12.5	14.5	Gujarat	4.0
Karnataka	1.40	1.0	5.0	8.2	Madhya Pradesh & Chhatisgarh	7.5
Chattisgarh	0.50	0.4		West Bengal	2.5
Gujrat			20.0	16.5	Eastern India and others	4.0
Tamilnadu			5.5	10.5	Sub Total	64.5
Rest of India	0.40	1.2	2.0	2.8	TORIA (All India)	1.5
Total	61.60	58.5	35.7	42.0	Grand Total	66.0

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