

MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal Domestic Market Prices Hit by Bird Flu.**
- **No Trading Witnessed in NCDEX.**

COMMENTARY

DOMESTIC MARKET

Soy meal

Traders are anxiously waiting for the Pandora box to be opened by honourable finance minister tomorrow. They see certain good news to be announced sooner or later. The real effect of bird flu can be seen on soy meal by the feed industry. There is likelihood for the improvement of soy meal by 15th of March. There was no confirmation by the governmental official about any fresh case of bird flu. India consumes around 2-2.1 million tonne of soy meal annually, major demand being from feed industry. Soy meal demand is expected to decline from different locations owing to huge culling of chicken that would have been consuming ample feed this time. The soy meal futures market is likely to remain range bound in coming days. Mumbai, Vizag and Kandla ports witnessed same prices as that of previous day. Rest of the places was seen slight fluctuation with steady and range bound fashion. As the export demand has become prices sensitive and buyers are at bargaining position on account of huge stocks with U.S. The prices are likely to remain range bound at the current levels as the current situation is slightly mixed. Soy meal futures at NCDEX witnessed no trading in March and April contract.

The prices at Indore spot market were same as that of previous day and at the range of Rs 8400-8600 per MT levels. The prices at Kandla port remained range bound at Rs 9100 (buyers) and 9000 (sellers). Mumbai and Vizag port also witnessed the same rate. Improvement can only be witnessed when fresh cycle of chicken restarted and demand from feed industry started to flush in. We are in the phase of the market where the demand is coming in trickles and buyers are at bargaining position. Also, in times to come, we are going to see a flood of supplies from the South American crop harvest. We expect the prices to remain steady to slightly bullish.

Latest Soy Meal Vessel Report

Loading of 2,000 MT of SBM is continuing at Kandla Port on the vessel 'Seven Star' to Kuwait. The vessel is being handled by Sai Shipping. 'Ever Power' is expected at Kandla Port to load 15,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

'Pavonis' has berthed at Mumbai Port and continues to load 3,000 MT of SBM. The vessel is being handled by Able Marine agents. 'Merco Ruhunnu' is expected at the port to load 2,750 MT of SBM. Sai Shipping agents will be handling the vessel.

Jamnagar Port is loading 11,000 MT of SBM to China on the vessel 'Iran Kolhadoo'. The vessel is being handled by Seacrest agents. Loading of 12,600 MT of SBM is expected at the port on the vessel 'Iran Sokan' to China. The vessel will be handled by Seacrest agents. 'Weston' is expected at the port to load 26,000 MT of SBM to Vietnam. Interocean agents will be handling the vessel.

Loading of 12,000 MT of SBM is continuing at Jamnagar Port on the vessel 'Santa Suria' to Indonesia. Hind Shipping agents is handling the vessel. 'Weston' has berthed at Jamnagar Port and continues to load 26,000 MT of SBM to Vietnam. An interocean agent is handling the vessel. The port is expecting 'Ivory Ace' to load 8,000 MT of SBM to Japan. JM Baxi agents will be handling the vessel.

'Ever Power' has berthed at Kandla Port and continues to load 15,000 MT of SBM to Japan. Taurus agents is handling the vessel. 'Elver' is expected at Kandla Port to load 22,600 MT of SBM to Japan. Liladhar Pasoo agents will be handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Destination
Kandla	Ever Power	15000	Berthed	Japan
	Seven star	2000	Loading	Kuwait
	Asha Himani	3000	Expected	Hodaiddab
	Elvar	22600	Expected	Japan
Jamnagar	Iran Kolhadoo	11000	Loading	China
	Iran Sokan	12600	Expected	China
	Iran Nabuvat	18000	Loading	China
	Weston	26000	Berthed	Vietnam
	Santa Suria	12000	Loading	Indonesia
	Ivory Ace	8000	Expected	Japan
Mumbai	Indruva Valley	2500	Loading	
	Pavonis	3000	Loading	
	Lover Star	6000	Loading	
	Merco Ruhunnu	2750	Expected	

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	25.02.06	27.02.06
Indore	8400-8600	8400-8600
Nanded	8100-8300	8100
Latur	8100-8300	8700-8800
Dhulia	8100-8200	8100-8200
Jalna	8300	8300
Kota	8150	8100
Nagpur	7700-8100	7800-8100
Kandla	9100 (Sellers) 9000 (Buyers)	9100 (Sellers) 9000 (Buyers)
Mumbai	9100 (Sellers) 9000 (Buyers)	9100 (Sellers) 9000 (Buyers)
Vizag(approx)	9100 (Sellers) 9000 (Buyers)	9100 (Sellers) 9000 (Buyers)
Sangli	8700	8700-8800
Solapur	8600	8600
Morena	8400	8400
Shivpuri	8000	8000

NCDEX Soy meal Futures Prices (27 Feb'06)

Contract	Prev Close	High	Low	Close	Change
March'06	8400.00	-	-	-	-
April'06	8630.00	-	-	-	-

Rape/ Mustard Meal

Mustard seed arrivals (Fresh crop) at different mandis in Rajasthan is flushing with new seeds. At the moment fresh mustard seed is around 80000-90000 bags in Rajasthan market. Hefty previous stock (mainly with NAFED) along with the forthcoming harvest season projects a bearish picture for mustard seed. Further, increased expected production this year i.e. 8.20 million tonnes as compared to the previous year's 6.25 million tonnes, supports the same thought. To some extent, Government buying (announced 25 lakh tonnes) of mustard seed at MSP Rs 1715 is likely to support the freefall of prices but looking at the crop size this effort of the government probably would not prove to be sufficient. So expect the mustard meal prices to stumble as the arrivals in mandis and crushing gets momentum during the coming time. Today there was little trading seen at Kandla port, as the buyers and sellers were standing apart. Today the Mustard oilcake was quoted in Morena Rs 4500 per MT.

Groundnut meal

There is nothing new input in the groundnut meal market as the arrivals, crushing and demand all seems to be steadied. The groundnut harvesting and arrivals in the southern market is at higher levels whereas the Gujarat markets are witnessing gradual fall in arrivals. As, at the moment oil prices are at lower levels due to good supply

Source: MDI, GOI

position of the oil due to higher crushing activity in soybeans. The arrivals of GN are diminishing in the major producing areas in Gujarat. The prices are almost steady. The prices will improve slightly if the prices of the seeds jump higher in lower supply scenario. GN meals (40%) were decreased to Rs 5600 on credit and Rs 6200 per MT on cash in Saurashtra.

INTERNATIONAL MARKET

CBOT remained close on Saturday and Sunday.

CBOT Soymeal futures as on February 24th 2006 (Unit: \$/MT)

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change (\$)
Mar 06	571.6	578.0	579.6	572.0	+5.6	577.2
May 06	584.6	592.0	592.6	585.0	+5.6	590.2

WEATHER WATCH: (27.02.06)

Forecast valid for next 72 hours

Under the influence of the western disturbance over Jammu & Kashmir, light to moderate rain/snow has occurred at many places over Jammu & Kashmir and Himachal Pradesh and at a few places over Uttaranchal. Light rain/ thundershowers have occurred at a few places over Punjab, Haryana and north Rajasthan. The Day & night temperatures over northwest India have fallen by 2-3° C. The night temperatures are likely to fall further by 2-3° C over northwest India and adjoining Gangetic Plains during next 2-3 days. Day temperatures remained 5-7° C above normal over East Rajasthan, Gangetic Plains and central India; they were 3-5° C above normal over the rest parts of the country outside peninsula where they were above normal by 2-3° C. Forecast valid 0830 hours IST of 2nd March, 2006

NORTH-WEST INDIA: Isolated rain/snow likely over Jammu & Kashmir. Mainly dry weather over the rest region. Night temperatures over the regions are likely to fall by 2-3° C.

EAST INDIA: Weather will be mainly dry over the region. Day & night temperatures are likely to remain 3-5°C above normal.

NORTHEAST INDIA: Rain/thundershowers are likely at a few places over Assam & Meghalaya and Arunachal Pradesh. Mainly dry weather over the rest region.

SOUTH INDIA: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region, However, isolated rain/thundershowers are likely over Tamil Nadu and Kerala over 1st & 2nd March.

WEST INDIA: Weather will be mainly dry over the region. Night temperatures over Rajasthan are likely to fall by 2-3° C.

CENTRAL INDIA: Weather will be mainly dry over the region. Day temperatures are likely to remain 4-6° C above normal over Madhya Pradesh & Chhattisgarh.

FOREX RATES (27.02.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.44
European Union	Euro	52.79
United Kingdom	GBP	77.59
Japan	100 Yen	38.02

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