

MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal Domestic Market Prices Remained Steady.**
- **NCDEX Soymeal April Contract Witnessed No Trading.**

COMMENTARY

DOMESTIC MARKET

Soy meal

The soymeal markets have been witnessing improvements in the prices since last few days and is likely to continue in this fashion for some time. Improvement is owing to activities in some ports and increase in Tariff rates and corresponding increase in the oil prices. Though the increase would give some relief to the crushers as far as margins are concerned. 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. Soymeal futures at NCDEX witnessed no trading today in February, March and April contracts. CBOT soymeal futures slipped slightly on account of recent out break of bird flu in Europe and Middle East and bearish pressure of the hefty stocks and the forthcoming harvest of South American crop.

The prices at Indore spot market were slightly improved in the range of Rs 8400-8600 per MT levels. March soymeal contract at NCDEX improved at Rs. 8690.0 gaining Rs. 81.0. April contract gains Rs. 1.0 to 8800.0. Ports witnessed slight increase. The prices at Kandla port improved slightly to Rs 9350 as compared to Rs 9150 yesterday whereas Mumbai port witnessed a jump of Rs 150 at Rs 9250 per MT.

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 bearish.

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. `Mercs Ruhunnu' is expected at the port to load 2,750 MT of SBM. Sai Shipping agents will be handling the vessel.

Jamnagara 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.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Desti-nation
Kandla	Ever Power	15000	Expected	Japan
	Seven star	2000	Loading	Kuwait
	Asha Himani	3000	Expected	Hodaidab
Jamnagar	Iran Kolhadoo	11000	Loading	China
	Iran Sokan	12600	Expected	China
	Weston	26000	Expected	Vietnam
Mumbai	Indruva Valley	2500	Loading	
	Pavonis	3000	Loading	
	Lover Star	6000	Loading	
	Mercs Ruhunnu'	2750	Expected	

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	15.02.06	16.02.06
Indore	8300-8600	8400-8600
Nanded	8300	8300
Latur	8700-8800	8700-8800
Dhulia	8300	8400
Jalana	8400	8400
Kota	8100	8150
Nagpur	7800 (41%), 8000(45-46%)	7700 (41%) 8200 (45-46%)
Kandla	9150	9350
Mumbai	9100	9250
Vizag(approx)	8400
Sangli	8800	9000
Solapur	8700	8800
Morena	8400	8500
Shivepuri	8175	8250

NCDEX Soy meal Futures Prices (15 Feb'06)

Contract	Prev Close	High	Low	Close	Change
March'06	8609.0	8690.0	8450.0	8690.0	+81.0
April'06	8799.0	8835.0	8800.0	8800.0	+1.0

Rape/ Mustard meal

Mustard seed arrivals (Fresh crop) at different mandis in Rajasthan is picking up slowly. At the moment fresh mustard seed is around 25000-30000 bags in Rajasthan market. Hefty previous stock (mainly with NAFED) alongwith 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 no trading seen at Kandla port, as the buyers and sellers were standing apart. Today the Mustard oilcake was quoted in Morena Rs 4600 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 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 slightly improved at Rs 6300 on credit and Rs 6050 per MT on cash in Saurashtra.

INTERNATIONAL MARKET

CBOT Soy Future Remain Mixed

March Soybeans settled up 3.75 cents at \$5.87/bushel, 3 cents off the high and 16 cents up from the low. May Soybeans settled up 3 cents at \$5.99/bushel which was 16 cents up from the low and 4 off the high. March Soymeal settled down \$0.1 at \$182.4/ton that was \$3.8 up from the low and \$1.1 off the high. March Soybean Oil settled up 0.23 cents at 22.27 cents/pound, 0.3 cents off the high and 0.51 cents up from the low. Due to the strength in other grains the march soybean get support and settled up in the market. Weather forecast for next 5-6 days seems to be remain dry and might affect the crop yield. Serious concern for spreading bird flu in Europe and Middle East leads to less demand of soy meal for poultry and traders have a keen eye on meat consumption and meal consumption news.

CBOT Soymeal futures as on February 14th, 2006

(Unit: \$/MT)

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change (\$)
Mar 06	583.2	583.4	590.0	571.0	+3.8	587.0
May 06	596.0	596.6	603.0	583.0	+3.0	599.0

WEATHER WATCH: (15.02.06)

Chief Features

Under the influence of a Western Disturbance, rain/snow has occurred at many places over Jammu & Kashmir and isolated over Himachal Pradesh during past 24 hours. Rain/thundershowers have also occurred at a few places over Assam and Arunachal Pradesh. This activity is likely to continue over these areas during next 2 days.

Day and night temperatures were generally 4-6°C above normal over northwest India, Gangetic plains, north Madhya Pradesh, Gujarat and northeastern States. However, they were 6-8°C above normal over some parts of Rajasthan, Haryana and north west Madhya Pradesh. A fall of 2-3°C in night temperatures over northwest India is expected during next 2 days. However, they are likely to increase by a similar magnitude subsequently.

NORTH-WEST INDIA: Rain/snow likely at many places over higher reaches of Jammu & Kashmir and at a few places over rest Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers also likely over the rest region during next 24 hours.

EAST INDIA: Isolated rain/thundershowers is likely over Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region.

NORTHEAST INDIA: Rain/thundershowers are likely over at a few places over Assam and Arunachal Pradesh and isolated over the rest region.

SOUTH INDIA: Isolated rain/ thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region. Night temperatures over interior Peninsula are likely to remain 2-4°C below normal.

WEST INDIA: Weather will be mainly dry over the region. A fall of 2-3°C in Night temperatures is expected over Rajasthan.

CENTRAL INDIA: Weather will be mainly dry over the region with a fall of 2-3°C in Night temperatures over Madhya Pradesh.

Source: MDI, GOI

FOREX RATES (15.02.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	52.74
United Kingdom	GBP	76.82
Japan	100 Yen	37.63

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