

MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal Domestic Market Prices May Hit by Bird Flu.**
- **NCDEX Soymeal April Contract Witnessed No Trading.**

COMMENTARY

DOMESTIC MARKET

Soy meal

The soymeal markets have been witnessing slight decrease in the prices due recent out break of bird flu is reported from Maharashtra. The Maharashtra government confirmed that bird flu had resulted in the recent deaths of chickens in Nandurbar and Dhule districts of the statesince 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 decrease in March contract.

The prices at Indore spot market were slightly improved in the range of Rs 8500-8800 per MT levels. March soymeal contract at NCDEX decreased slightly at Rs. 8687.0. The prices at Kandla port remained range bound at Rs 9350.0-9400.0. Whereas Mumbai port witnessed slight increase at Rs. 9250.0 9300.0 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	Hodaiddab
Jamnagar	Iran Kolhadoo	11000	Loading	China
	Iran Sokan	12600	Expected	China
	Weston	26000	Expected	Vietnam
Mumbai	Indruwa 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)	
	17.02.06	18.02.06
Indore	8500-8700	8500-8800
Nanded	8400	8550
Latur	8900	8550
Dhulia	8400	8550
Jalna	8500	8600
Kota	8250	8250
Nagpur	7900 (41%)	8400
	8200 (45-46%)	
Kandla	9400	9350-9400
Mumbai	9300	9250-9400
Vizag(approx)	9300	9250-9400
Sangli	8900	9000
Solapur	8800	8950
Morena	8450	8700
Shivepuri	8400	8300

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 60000-70000 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 4700 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 6000 on credit and Rs 6500 per MT on cash in Saurashtra.

INTERNATIONAL MARKET

CBOT Soy Futures Remain Firm

Soy future settled high at Chicago Boards of Trades on Friday. March Soybeans closed up 9.75 cents at \$6.0125/bushel, 1.75 cents off the high and 11.25 cents up from the low. May Soybeans settled up 10.25 cents at \$6.1425 which was 12 cents up from the low and 2.50 cents off the high. March Soymeal settled up \$1.9 at \$185.3/ton that was 1.0 cent up from the low and 1.7 cents off the high. March Soybean Oil settled up 0.76 cents at 23.33 cents/pound, 0.06 cents off the high and 0.58 cents up from the low. Stressful conditions for the Argentina soybean crop for at least for a week remain the key issue for surging the market up. Firmness in other commodity markets also provide underlying support for its firmness. Sellers remain dormant in cash market which further helped the market to go up. Recent energy crisis from Iran and terrorist threat in Nigeria helped further to boost the market up.

CBOT Soymeal futures as on February 17th 2006 (Unit: \$/MT)

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change (\$)
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Mar 06	591.4	596.0	603.0	590.0	+9.8	601.2
May 06	604.2	609.0	617.0	602.4	+10.2	614.4

WEATHER WATCH: (18.02.06)

Forecast valid for next 72 hours

Mainly dry weather conditions are likely to prevail over the country for the next 1-2 days outside Jammu & Kashmir and Himachal Pradesh where isolated to scattered rain/snow is likely during next 2-3 days. Under the influence of the western disturbance over north Pakistan and adjoining Jammu & Kashmir. Isolated rain/thundershowers also likely over northeastern states for next 1-2 days. Day temperatures continue to remain above normal by 6-8°C over Jammu & Kashmir, Punjab and parts of Bihar and 4-6°C above normal over Haryana, Rajasthan, Gangetic Plains and adjoining central India. They are likely to fall by 2-3°C for next 2-3 days and rise subsequently. Night temperatures are also 6-8°C above normal over northwest India, adjoining northwest Madhya Pradesh and parts of Saurashtra & Kutch and 3-5°C above normal over West Uttar Pradesh, Gangetic Plains. This scenario is likely to continue for next 2-3 days.

NORTH WEST INDIA: Scattered rain/snow likely over Jammu & Kashmir and isolated Himachal Pradesh and Uttaranchal. Mainly Dry weather over the rest regions. Night temperatures are likely to remain significantly above normal and day temperatures are likely to fall by 2-3°C during next 2-3 days.

EAST INDIA: Isolated rain/thundershowers is likely over Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region. Day & night temperatures over the region are likely to remain 2-5°C above normal.

NORTHEAST INDIA: Rain/thundershowers are likely over at a few places over Assam & Meghalaya 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 the Peninsula are likely to remain near normal.

WEST INDIA: Weather will be mainly dry over the region. Day and Night temperatures over Rajasthan and Gujarat are likely to remain significantly above normal for the next 2-3 days.

CENTRAL INDIA: Weather will be mainly dry over the region. Day and Night temperatures over Madhya Pradesh and Chhattisgarh are likely to remain significantly above normal.

Source: MDI, GOI

FOREX RATES (18.02.06)

Country/ Continent	Currency	Value Rupees in
USA	Dollar	44.34
European Union	Euro	52.79
United Kingdom	GBP	77.17
Japan	100 Yen	37.53

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