

## MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal Domestic Market Prices Remained Steady to Weak.**

## COMMENTARY

### DOMESTIC MARKET

#### Soy meal

Today soy meal prices on domestic spot markets range bound with weak sentiments in most of the markets. Weakness in CBOT soy meal futures on Friday brought negative impact on spot markets. The global market is in bearish mood due to favourable weather condition for soybean crops in South America. Soy meal prices at Indore spot market has slipped to Rs 8494 from Rs 8578 per MT today as compared previous trading day. Lower demand of soy meal from China due to fresh news of bird flue again. As the export demand has become prices sensitive and buyers are at bargaining position on account of huge stocks with U.S. the exporters are finding it difficult to get good prices. Further the sellers are also not willing to sell at lower prices resulting in lower activity at ports. The prices have been hovering around these levels since last few days.. The current situation is slightly mixed, as soybean supply is decreasing in the domestic spot markets, whereas the global market is slowly and steadily coming in bearish mood as the harvest of South American crop is nearing which is expected to be a big one to flood the market with supplies. Also, the record levels of ending stock expected with U.S. is hitting the market sentiments. Recent rains in Brazil are expected to delay the harvest of soybean crop there, which might give some boost to the market.

The prices at Indore spot market were steady in the range of Rs 8400-8600 per MT levels. April soy meal at NCDEX slipped sharply to Rs 8501 levels as compared to 9160 on the previous trading session. March soy meal remained stationary at Rs 8799. Ports witnessed no trading as the buyers and sellers were standing apart to deny any transaction. The buyers were asking soy meal for Rs 9050 per MT whereas the sellers were standing tall at Rs 9000 per MT at Mumbai and Kandla ports. We expect the prices to remain steady to slightly bearish.

#### Latest Soy Meal Vessel Report

'Pavonis' has berthed at Mumbai Port and continues to load 3,000 MT of SBM. The vessel is being handled by Able Marine agents. Loading of 6,000 MT of SBM is continuing at the port on the vessel 'Lover Star'. The vessel is being handled by Hind Shipping. 'Badalu Valley' has berthed at the port and continues to load 2,500 MT of SBM. Sai Freight agents is handling the vessel. Loading of 700 MT of SBM is continuing at the port on the vessel 'Merces Kirinda'. Sai Shipping agents is handling the vessel. 'Merces Ruhunnu' is expected at the port to load 2,750 MT of SBM. Sai Shipping agents will be handling the vessel.

Loading of 13,000 MT of SBM is continuing at Kandla Port on the vessel 'Bao Heng Men' to Japan. Taurus agents is handling the vessel. The port is loading 13,000 MT of SBM to Korea on the vessel 'Dynasty'. Liladhar Pasoo agents is handling the vessel. 'Ever Power' is expected at Kandla Port to load 15,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

Jamnagar Port is loading 11,000 MT of SBM to China on the vessel 'Iran Kolhadoo'. 'Iran Vahadat' is being loaded 15,300 MT of SBM from the port to China. These vessels are being handled by Seacrest agents. Loading of 12,600 MT of SBM is expected at the port on the vessel 'Iran Soka' to China. The vessel will be handled by Seacrest agents.

#### Current Vessel Position

Ports	Vessels	Vol. (MT)	Carrying	Status	Destination
Kandla	Ever Power	15000	SBM	Expected	Japan
	Dynesty	13000	SBM	Loading	Korea
	Bao Heng Men	13000	SBM	Loading	Japan
Jamnagar	Iran Kolhadoo	11000	SBM	Loading	China
	Iran Vahadat	15300	SBM	Loading	China
	Iran Soka	12600	SBM	Expected	China
Mumbai	Merces Ruhunnu	2750	SBM	Expected	
	Pavonis	3000	SBM	Loading	
	Lover Star	6000	SBM	Loading	
	Merces kirinda	700	SBM	Loading	
	Badalu Valley	2500	SBM	Loading	

#### DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	11.02.06	13.01.06
Indore	8400-8600	8400-8600
Nanded	8400-8500	8300
Latur	8400-8500	8700
Dhulia	8300-8400	8200-8300
Jalana	8300-8400	8300
Kota	8100	7950
Nagpur	7900 (41%), 8300(45-	7800-8000

	46%)	
Kandla	900 (b)-9150(a)	9000
Mumbai	900 (b)-9150(a)	9050
Vizag(approx)	....	-
Sangli	8900	8800
Solapur	8800	8700
Morena	8400	8400
Shivepuri	8100	8200

#### NCDEX Soy meal Futures Prices ( 13 Feb'06)

Contract	Prev Close	High	Low	Close	Change
March'06	8609	0.00	0.00	8799	+190
April'06	8501	9160	8501	9160	+659

#### Rape/ Mustard meal

Arrivals of new mustard seeds is picking up in Kota region, Rajasthan. At the moment arrivals of new mustard seed is around 2500-3000 bags in Kota mandi only. 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. 6.7 million tonnes as compared to the previous year's 6.25 million tonnes, supports the same thought. To some extent, Government buying (announced likely to 22-24 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 no fresh news in groundnut meal market to pull or push its prices, crushing and demand all seems to monotonous. 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 remain closed on Saturday and Sunday

#### CBOT Soymeal futures as on February 10<sup>th</sup>, 2006

(Unit: \$/MT)

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change (\$)
Mar '06	180.1	180.9	181.4	179.1	180.5	-1.1
May'06	182.7	183.1	183.6	181.5	182.8	-0.9

#### WEATHER WATCH: (13.02.06)

##### Chief Features

Largely dry weather conditions are likely to prevail over most parts of the country except scattered rain/snow likely over higher reaches of Jammu & Kashmir and isolated over rest Jammu & Kashmir and Himachal Pradesh. Isolated rain/thundershowers are also likely over Assam, Arunachal Pradesh, Andaman & Nicobar Islands and Punjab during next 2-3 days. Night temperatures are likely to remain 6-8°C above normal over West Rajasthan and by 2-4°C above normal over rest parts of the country outside Maharashtra, south Chhattisgarh, Orissa and south Peninsula where they are likely to remain normal to below normal for next 3 days. They are likely to fall by 2-3°C on 16th and 17th over northwest India. However, they may rise again towards the end of the week. Day temperatures are likely to remain above normal by 6-8°C over Haryana, Rajasthan and adjoining northwest Madhya Pradesh, 2-4°C above normal over rest parts of the country outside Maharashtra and interior parts of south Peninsula where they are likely to remain near normal.

##### Forecast valid for next 72 hours

**NORTH WEST INDIA:** Rain/snow likely at a few places over higher reaches of Jammu & Kashmir and isolated over rest Jammu & Kashmir and Himachal Pradesh. Isolated rain/thundershowers also likely over Punjab. Weather will be mainly dry over the rest region.

**EAST INDIA:** Weather will be mainly dry over the region.

**NORTHEAST INDIA:** Isolated rain/thundershowers are likely over Assam and Arunachal Pradesh. Weather will be mainly dry over the rest region.

**SOUTH INDIA:** Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region.

**WEST INDIA:** Weather will be mainly dry over the region.

**CENTRAL INDIA:** Weather will be mainly dry over the region.

Source: IMD, GOI

#### FOREX RATES (13.02.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.26
European Union	Euro	52.68
Japan	100 Yen	37.54
United Kingdom	Pound Sterling	77.14
Malaysia	Ringgit	11.87
China	CNY	5.49
Argentina	ARS	14.41
Brazil	BRL	20.46
Indonesia	1000 IDR	4.79

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