

MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal Domestic Market Prices Remained Steady to Weak.**
- **NCDEX Soymeal March Contract Witnessed No Trading.**

COMMENTARY DOMESTIC MARKET Soy meal

Domestic soymeal prices remained steady at most of the spot markets. The prices have been hovering around these levels since last few days. Higher than expected soymeal export sales according to USDA report though gave some boost to the market sentiment. 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. There was also very low level of activity seen at the ports as, influenced by bearish sentiments in the global markets buyers are asking soymeal for lower prices and sellers seems in no hurry to sell and are waiting for higher prices. Lower prices would put pressure on crush margins in the scenario of lower oil prices, which is being imported in a large quantity this year in comparison to last year. Someal futures at NCDEX witnessed no trading today. CBOT soymeal futures slipped further on Wednesday as the large South American crop is ringing the bells for entry in the market.

The prices at Indore spot market were no different from the recent levels and traded in the range of Rs 8400-8700 per MT levels. April soymeal at NCDEX remained stationary at its previous levels of Rs 8750 in the absence of any trading. March soymeal 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 soymeal for Rs 9150 per MT whereas the sellers were standing tall at Rs 9300-350 per MT at Mumbai, whereas Kandla port saw some trading at Rs 9150 per MT. We are in the phase of the market where the demand is coming in trickles and buyers are at bargaining position; at the same time the sellers are also not looking on a hurry and looking for the right prices. 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 range bound for the moment.

Latest Soy Meal Vessel Report

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.

Mumbai Port is loading 2,500 MT of SBM on the vessel

'Indruwa Valley'. Sai Freight agents is handling the vessel. 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 'Merks Kirinda'. Sai Shipping agents is handling the vessel. 'Pavonis' is expected at the port to load 3,000 MT of SBM. The vessel will be handled by Able Marine agents.

Jamnagara 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	Desti-nation
Kandla	Ever Power	15000	SBM	Expected	Japan
	Dynesty	13000	SBM	Loading	Korea
	Bao Heng Men	13000	SBM	Loading	Japan
	Asha Himani	3000	SBM	Expected	Hodaiddab
Jamnagar	Iran Kolhadoo	11000	SBM	Loading	China
	Iran Vahadat	15300	SBM	Loading	China
	Iran Soka	12600	SBM	Expected	China
	Noto III	11000	SBM	Loading	Thailand
Mumbai	Indruwa Valley	2500	SBM	Loading	
	Pavonis	3000	SBM	Expected	
	Lover Star	6000	SBM	Expected	
	Merks kirinda	700	SBM	Loading	
	Badalu Valley	2500	SBM	Loading	

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	10.02.06	09.01.06
Indore	8500-8700	8500-8700
Nanded	8400	8400

Latur	8400-8500	8450-8500
Dhulia	8300	8300-8400
Jalana	8350-8400	8400
Kota	8100	8100
Nagpur	7900 (41%), 8300(45-46%)	7900 (41%), 8300(45-46%)
Kandla	9150	9200
Mumbai	9150 (b)-9300(a)	9200
Vizag(approx)
Sangli	8900	8900
Solapur	8800	8800
Morena	8600	8600
Shivepuri	8200	8250

NCDEX Soy meal Futures Prices (10 Feb'06)

Contract	Prev Close	High	Low	Close	Change
March'06	8450.00	00.00	00.00	00.00	00.00
April'06	8750.00	00.00	00.00	00.00	00.00

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 2500 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. 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 20 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 meal Futures Settle Higher

March Soybeans settled up 9.75 cents at \$5.8775/bushel, 6.25 cents off the high and 10.25 cents up from the low. May Soybeans settled up 10.50 cents at \$6.0175/bushel which was 10.75 cents up from the low and 5.25 cents off the high. March Soy meal settled up \$1.4 at \$181.6/ton that was \$1.6 up from the low and \$2.2 off the high. March Soybean Oil settled up 0.5 cents at 22.65 cents/pound, 0.1 cents off the high and 0.53 cents up from the low. In spite of bearish news from the USDA weekly supply and demand report the market gain high due to hike in prices of metals and sellers remained weak on selling side for grain market helped to boost the market up. Expectation of lower production for Brazil and South American crops by traders due to recent drier weather could also be the reason for gaining strength. US cumulative sales remained 59.9% as compared to 61.3% of the USDA forecast. Meal sales recorded at 133,300 MT, higher than expectation of 50,000-125,000 MT.

CBOT Soy meal futures as on February 9th, 2006 (Unit: \$/MT)

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change (\$)
Mar '06	181.2	180.7	183.4	179.6	180.1	-1.5
May'06	182.8	183.2	184.1	182.1	182.7	-1.0

WEATHER WATCH: (10.02.06)

Chief Features

Largely dry weather conditions likely to continue over most parts of the country for next 3-4 days outside Sub-Himalayas west Bengal & Sikkim and northeast states where isolated light rain is expected during next 24 hours. In view of an approaching western disturbance, scattered rain/snow is also likely over Jammu & Kashmir and Himachal Pradesh from 12th onwards for next 2-3 days.

Day temperatures continue to be above normal by 4-6 deg C over northwest India, northeastern states & west Madhya Pradesh and by 2-3 deg C over Gangetic plains, central and eastern parts of the country.

Night temperatures are also above normal by 2-4 deg C over northwest India, Gangetic plains and adjoining central India. They are likely to fall by 1-2 deg C during next two days and again increase by 2-3 deg C subsequently over northwest India

Forecast valid 0830 hours IST of 11th FEBRUARY, 2006

NORTH-WEST (J & K, H. P., UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP)

Isolated light rain/snow likely over Jammu & Kashmir and Himachal Pradesh on 12th & 13th. Weather will be mainly dry over the region.

EAST (EAST UP, BIHAR, JHARKHAND, WEST BENGAL & SIKKIM, ORISSA)

Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim on 10th & 11th. Weather will be mainly dry over the rest region.

NORTHEAST (Arunachal Pradesh, Assam, Meghalaya, NMM & T)

Isolated rain/thundershowers likely on 10th & 11th over the region.

SOUTH (TN, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADWEEP)

Isolated rain/thundershowers likely over Nicobar Islands.
Weather will be mainly dry over the region

WEST (MAHARASHTRA OTHER THAN VIDARBHA ,
GOA, GUJARAT, RAJASTHAN)

Weather will be mainly dry over the region.

CENTRAL (MADHYA PRADESH, CHHATTISGARH ,
VIDARBHA)

Weather will be mainly dry over the region.

Outlook for subsequent two days based on NCMRWF and

Temperatures over northwest & central India are likely to
remain appreciably above normal.

Source: IMD, GOI

FOREX RATES (10.02.06)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	44.21
European Union	Euro	53.01
Japan	100 Yen	37.52

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other numerical weather products

United Kingdom	Pound Sterling	77.24
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