

MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal Domestic Market Prices Remained Steady to Weak.**
- **NCDEX Soymeal April Contract Settles Lower.**

COMMENTARY DOMESTIC MARKET Soy meal

Domestic soymeal prices remained steady to weak in most of the domestic spot markets on the spill over effect of weakness in CBOT soybean futures. 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. Someal futures at NCDEX witnessed no trading today in February and March contracts whereas the April contract saw a sharp fall in the prices, as it factored in the bearish sentiment developed in between the intermittent trading. CBOT soybean futures slipped further on the last trading day of the week as large South American crop is ringing the bells for entry in the market.

The prices at Indore spot market were slightly down in the range of Rs 8400-8600 per MT levels. April soybean meal at NCDEX slipped sharply to Rs 8501 levels as compared to 8750 on the previous trading session. March soybean 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 soybean meal for Rs 9000 per MT whereas the sellers were standing tall at Rs 9150 per MT at Mumbai and Kandla ports.

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 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 'Mercs 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	Hodaidab
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	
	Mercs kirinda	700	SBM	Loading	
	Badalu Valley	2500	SBM	Loading	

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	10.02.06	11.01.06
Indore	8500-8700	8400-8600
Nanded	8400	8400-8500
Latur	8400-8500	8400-8500
Dhulia	8300	8300-8400
Jalana	8350-8400	8300-8400

Kota	8100	8100
Nagpur	7900 (41%), 8300(45-46%)	7900 (41%), 8300(45-46%)
Kandla	9150	900 (b)-9150(a)
Mumbai	9150 (b)-9300(a)	900 (b)-9150(a)
Vizag(approx)
Sangli	8900	8900
Solapur	8800	8800
Morena	8600	8400
Shivepuri	8200	8100

NCDEX Soy meal Futures Prices (11Feb'06)

Contract	Prev Close	High	Low	Close	Change
March'06	8450.00	00.00	00.00	00.00	00.00
April'06	8750.00	8501.00	8501	8501	-249.00

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 Soymeal Futures Settle Lower

March Soybeans settle down 5.50 cents at \$5.8225/bushel, 9 cents off the high and 5.25 cents up from the low. May Soybeans settle down 5.75 cents at \$5.96/bushel that was 5.50 cents up from the low and 8 cents off the high. March

Soymeal settle down \$1.1 at \$180.5/pound that was \$1.4 up from the low and \$0.9 off the high. March Soybean Oil finished down 0.38 cents at 22.27 cents/pound, 0.21 cents off the high and 0.16 cents up from the low. Record high ending stock of world and US coupled with slow fund buying help to lower down the prices. Weakness in metals and other grains in CRB index added further pressure. Long liquidation selling pressure, helped pressurising the market further.

CBOT Soymeal futures as on February 10th, 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: (10.02.06)

Chief Features

Largely dry weather conditions will continue to prevail all over of the country for next 3-4 days outside Jammu & Kashmir and Himachal Pradesh where light to moderate rain/snow is expected during next 3-4 days in association with approaching western disturbance. Day temperatures are above normal by 8-10 deg C over Jammu & Kashmir 4-6 deg C over Punjab ,Himachal, many parts of Rajasthan and Gujarat and 2-4 deg C over remaining parts of northwest India, and central India. Night temperatures are also above normal by 4-6 deg C over extreme west Rajasthan , Saurashtra & Kutch 2-4 deg C over remaining northwest India Gangetic plains and adjoining central India .and northeastern states They are further likely to increase by 2-3 deg C during next 2-3 days over northwest India.

Forecast valid 0830 hours IST of 11th FEBRUARY, 2006

NORTH: Light to moderate rain/snow likely at a few places over Jammu & Kashmir and at isolated places over Himachal Pradesh. Weather will be mainly dry over the region.

EAST: Weather will be mainly dry over the region.

NORTHEAST: Weather will be mainly dry over the region.

SOUTH: Weather will be mainly dry over the region.

WEST :Weather will be mainly dry over the region.

CENTRAL:Weather will be mainly dry over the region.

Outlook for subsequent two days based on NCMRWF and other numerical weather products:

Light to moderate rain/snow likely over West Himalayas region .

Fall in night temperature over plain of northwest India.

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
United Kingdom	Pound Sterling	77.24

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