

MAJOR ACTIVITY HIGHLIGHTS

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

COMMENTARY DOMESTIC MARKET Soy meal

The soymeal prices at domestic spot markets remained steady today as there were no fresh inputs from domestic as well as international markets. The prices at ports improved marginally on a very subdued activity. The soy futures at NCDEX however witnessed no trading in April and March contracts. CBOT soymeal futures jumped on bullish weekly USDA export sales report on the last trading day of the week.

The prices at Indore spot market remained steady and traded in the range of Rs 8500-8700 per MT levels. April soymeal at NCDEX remained stationary at its previous levels of Rs 8750 in the absence of any trading. Ports witnessed not much activity on the last trading day of the week. The prices at Kandla port improved slightly to Rs 9250 per MT as compared to the previous levels of Rs 8200 per MT. Though the activity levels still remained lower as the sellers were asking for higher prices of Rs 9200 per MT. Also, the news of fresh bird flu cases in Indonesia lent some bearish sentiment to the market. Indonesia, which has already registered 16 bird flu deaths, is awaiting test results from the WHO of 11 more suspected infections. The test report shows that there has been a total of 23 cases of confirmed infection, 16 of them fatal. However, the news that soymeal export during January jumped higher by 178% as compared to the same month in previous year gave some boost to the market.

We are in the phase of the market where the demand is coming in trickles and buyers at bargaining; 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 slightly bullish for the moment.

Latest Soy Meal Vessel Report

Kandla Port is loading 13,000 MT of SBM to Japan on the vessel 'Shun EIE'. The vessel is being handled by JM Baxi agents. 'Asha Himani' is expected at Kandla Port to load 3,000 MT of SBM to Hodaiddah. Hind Shipping agents will be handling the vessel. Loading of 13,000 MT of SBM is expected at the port on the vessel 'Bao Heng Men' to Japan. Taurus agents is handling the vessel. 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. Mumbai Port is expecting 'Indruwa Valley' to load 2,500 MT of SBM. Sai Freight agents will be handling the vessel. Loading of 6,000 MT of

SBM is expected at the port on the vessel 'Lover Star'. The vessel will be handled by Hind Shipping. 'Badalu Valley' is expected at the port to load 2,500 MT of SBM. Sai Freight agents will be handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Carrying	Status	Desti-nation
Kandla	Skipped Ali	5700	SBM	Expected	
	Sun EIE	13000	SBM	Loading	Japan
	Bao Heng Men	13000	SBM	Expected	Japan
	Asha Himani	3000	SBM	Expected	Hodaiddab
Jamnagar	Iran Kolhadoo	11000	SBM	Loading	China
	Iran Vahadat	15300	SBM	Loading	China
	Noto III	11000	SBM	Loading	Thailand
Mumbai	Indruwa Valley	2500	SBM	Expected	
	Lover Star	6000	SBM	Expected	
	Badalu Valley	2500	SBM	Expected	

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	06.02.06	04.01.06
Indore	8500-8700	8500-8700
Nanded	8400	8500-8600
Latur	8400-8500	8500
Dhulia	8500-8600	8500-8600
Jalana	8500	8500-8600
Kota	8200	8300-8400
Nagpur	7900 (41%), 8300(45-46%)	7900 (41%), 8300(45-46%)
Kandla	9250	9200
Mumbai	9250	9200
Vizag(approx)
Sangli	8900	8800
Solapur	8900	8800
Morena	8700	8400
Shivpuri	8200	8100

NCDEX Soy meal Futures Prices (6 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

Footsteps of fresh mustard seeds are being seen in the 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 Higher

Soy future settled high at Chicago Boards of Trades on Friday. March Soybeans settled up 10.75 cents at \$5.9475/bushel off the high and 13.75 cents up from the low. May Soybeans closed up 10.75 cents at \$6.07 cents, which was 14 cents up from the low and 3 cents off the high. March Soymeal settled up \$2.1 at \$184.0/ton which was \$3.1 up from the low and \$2.0 off the high. March Soybean Oil settled up 0.71 cents at 22.66 cents/pound, 0.02 cents off the high and 0.73 cents up from the low. Strength in the market was driven by strong and effective fund buying which helped to boost up. Though, there is a shower in recent past but the recent weekly forecast reveals the chances of a dry spell again supporting the reason for strength in the market.

According to the USDA weekly exports sales report net sales of soybeans of 446,600 MT were 14 percent below the previous week and 34 percent under the prior 4-week average. Soy Meal net sales of 197,900 MT were 5 percent above the week earlier and 71 percent over the prior 4-week average. Major increases for unknown destinations (64,000 MT), Mexico (51,000 MT), the Dominican Republic (38,200 MT), Turkey (23,000 MT), and Canada (14,100 MT) were partially offset by decreases for Egypt (8,000 MT) and Algeria (5,000 MT). Exports of 109,300 MT were 4 percent above the previous week, but 7 percent under the

prior 4-week average. The primary destinations were Mexico (35,900 MT), Canada (20,100 MT), Guatemala (12,200 MT), Colombia (10,100 MT), the Dominican Republic (8,900 MT), and Turkey (8,100 MT).

CBOT Soymeal futures as on February 3rd, 2006

(Unit: \$/MT)

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change (\$)
Mar '06	181.9	181.9	185.5	180.0	184.0	+2.1
May'06	184.7	185.0	188.5	183.0	186.7	+2.0

WEATHER WATCH: (04.02.06)

Chief Features

A western disturbance as an upper air system lies over north Pakistan and neighbourhood. It is likely to cause rain/snow at a few places over higher reaches of Jammu & Kashmir and at isolated places over rest Jammu & Kashmir and Himachal Pradesh during next 2 days. Mainly dry weather conditions are likely over remaining parts of the country with day temperatures during next 2-3 days remaining above normal by 4-6°C over northwest & adjoining central India and by 2-3°C over rest parts of the country. Under the influence of above western disturbance, the night temperatures over northwest India are likely to increase by 2-3°C during next 2 days and may fall by nearly the same magnitude in subsequent 2 days.

Forecast valid till 1430 hours IST of 9th FEBRUARY, 2006

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

Rain/snow likely at a few places over higher reaches of Jammu & Kashmir and isolated over rest Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Weather will be mainly dry over the rest region.

EAST INDIA (EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA)

Weather will be mainly dry over the region.

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

Weather will be mainly dry over the region.

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

Isolated rain/thundershowers are likely over Nicobar Islands. Weather will be Mainly dry in the rest region.

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

Weather will be mainly dry over the region.

CENTRAL INDIA (MADHYA PRADESH, CHHATTISGARH, VIDARBHA)

Weather will be mainly dry over the region.

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

Isolated to scattered rainfall is likely over Northeastern states and Sub Himalayan West Bengal & Sikkim.

Source: IMD, GOI

FOREX RATES (06.02.06)

Country/Continent	Currency	Value in Rupees
-------------------	----------	-----------------

USA	Dollar	44.20
European Union	Euro	53.13
Japan	100 Yen	37.23

United Kingdom	Pound Sterling	77.80
----------------	----------------	-------

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.