

OILMEAL

30-04 Jan'06

MAJOR ACTIVITY HIGHLIGHTS

- India's Oil Meal Exports data of April' 05- January' 06
- All India Production Estimate for Soybean, Groundnut and Mustard for '05
- Latest Weather Watch

NEWS ANALYSIS

Export of Oilmeal Increased This Year (April '05 to January'06)

Indian Oilmeals export during the financial year 2005-06 (10months) increased by 36.13% as compared to the export during the same period previous year. India exported 2950850 MT of Oilmeals during this period (April-January) according to SEA of India release. The main surge in export was seen in Castor meal (216.8%), Rice Bran Ex.(100%) and Soymeal(178.4%). However the export of GN meal

were down during this period as compared to previous year by 2.8%. According to SEA, groundnut meal exports fell during this period mainly on account of lower crush margin. Despite the bird flu fears and bearish factors in the overseas meal markets, the Indian meals export recorded growth due to its attractive prices and good quality.

Export of Oilmeal (Extractions) from April to January '06 with comparative period of previous year (Qty. in M.T.)

Month	S.B.EXT	R.S.EXT.	G.N.EXT	R.B.EXT.	S.F.EXT.	CST.EXT.	TOTAL
April 2005	99,250 366,625	90,900 96,000	12,950 14,800	---	---	17,800 ---	220,900 477,425
May 2005	156,100 278,300	69,650 100,875	3,025 44,750	6,875 ---	---	50,200 ---	285,850 423,925
June 2005	115,750 94,500	53,975 45,575	8,900 30,475	12,675 5,800	---	20,225 6,200	211,525 182,550
July 2005	135,550 19,250	45,750 54,400	17,700 2,300	16,500 ---	---	11,525 ---	227,025 75,950
August 2005	112,575 17,325	43,825 33,325	15,100 8,750	5,033 5,761	---	11,325 15,225	187,858 80,386
September 2005	102,675 12,875	31,025 52,100	8,500 ---	---	---	15,950 ---	158,150 70,725
October 2005	160,250 18,750	37,250 17,300	8,825 4,450	---	---	3,100 7,225	209,425 47,725
November 2005	266,675 174,950	21,725 28,850	2,200 ---	12,867 11,820	---	18,225 ---	321,692 215,620
December 2005	492,950 303,750	47,400 40,375	18,000 ---	6,500 13,925	750 460	14,100 16,275	579,700 374,785
January 2006	483,225 173,550	16,975 30,275	8,400 1,100	25,950 ---	---	14,175 10,825	548,725 216,846
Total (Apr05-Jan'06)	2,125,000	458,475	103,600	86,400	750	176,625	2,950,850
(Apr.04-Jan.'05)	1,459,875	499,075	106,625	43,056	3,272	55,750	2,167,653
2004-2005(F.Y.)	1,861,325	588,805	121,475	43,056	---	70,750	2,685,411

2003-2004(F.Y.)	2,683,675	447,050	126,750	---	---	65,550	3,323,025
2002-2003(F.Y.)	1,333,318	455,533	15,225	---	---	92,445	1,896,521
2001-2002(F.Y.)	2,509,207	313,012	101,001	---	---	97,557	3,020,777
2000-2001(F.Y.)	2,182,142	62,968	18,609	---	---	72,919	2,336,638

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS

Soymeal Futures at CBOT 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 Soybean Oil 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 dry spell again supporting the reason for strength in the market.

CBOT Soymeal Futures as on 3rd February '06

Months	Previous Settle	Open	High	Low	Change	Close
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

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

Soymeal prices remained steady to slightly improve during the week at the domestic spot markets. Soymeal prices at ports however witnessed sluggishness and shed slightly from the previous week. CBOT soymeal futures saw some firmness towards the end of the week on dry weather forecast in Argentina, the major producer of the soybeans. As the South American crop is about to see the markets in near future. The large supply from the same is making the market sentiments bearish slowly and steadily. We are in the phase of the market where the demand is intermittent and haggling; at the same time the sellers are also not looking on a hurry and looking for the right prices. We expect the prices to remain steady to slightly improving.

The week was characterised by stable to slightly improving soymeal prices and lower activity levels on the export front with slightly improving prices. The prices at most of the spot markets remained stable during the week. Prices at Indore spot market remained almost stable and traded in the range of Rs 8500-8700 per MT as per quality on Saturday. The prices were in the same range during the last weekend. The soymeal prices at ports however witnessed some correction before recovering towards the end of the week on improved soy futures prices at CBOT. The prices at Kandla port were down at Rs 9200 per MT as compared to Rs 9350 per MT last week. The futures

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).

market of soymeal witnessed trading in very thin volumes during the week. The March contract slipped during the week to Rs 8450 from Rs 8693 last week. April soymeal at NCDEX also shed Rs 195 during the week and slipped from Rs 8945 to Rs 8750 after trading in the range of Rs 8945-8450.

The soymeal prices are expected to remain steady to slightly bearish, as the South American crop's forth coming harvest will keep pressing the prices down. However, as the arrivals of soymeal in domestic market are decreasing the same would be supporting the prices from any major fall.

Soymeal export during **January** increased by a whopping 178.4% to 483225 MT as compared to the same month of previous year. The exports of soymeal rose to 1459875 MT (31.3%) during last 10 months (April-Jan). This growth was recorded the scenario of lower demand due to bird flu fears and other bearish factors like piling stock positions with the western counterparts. The Indian soymeal snatched demand on its attractive prices and good quality. Further the neighbouring countries found it easier to buy in small lots in the period of uncertainty in feed demand. The major destinations were, South Korea (81975 MT), China (81400 MT), Indonesia (67075 MT), Vietnam (61000 MT), Japan (59785 MT), and Thailand (63250 MT) in SE Asia and Jordan (11175 MT) in Middle East.

NCDEX Soy meal Futures price (4th February 06)

	Prev Close Price	High Price	Low Price	Close Price	Change
March'06	8450.00	00.00	00.00	00.00	00.00
April'06	8900.00	8750.00	8750.00	8750.00	-150.00

Soy Meal Vessel Report (4.01.06)

Mumbai Port is loading 8,000 MT of SBM on the vessel 'Asian Robin'. Sai Freight agents is handling the vessel. Kandla Port is expecting 'Shun EIE' to load 13,000 MT of SBM to Japan. The vessel will be handled by JM Baxi agents. 'Asha Himani' is expected at Kandla Port to load 3,000 MT of SBM to Hodaiah. 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.

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.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Carrying	Status	Destination
Kandla	Skipped Ali	5700	SBM	Expected	
	Sun EIE	13000	SBM	Expected	Japan
	Bao Heng Men	13000	SBM	Expected	Japan
	Asha Himani	3000	SBM	Expected	Hodaiah
Jamnagar	Iran Kolhadoo	11000	SBM	Loading	China
	Iran Vahadat	15300	SBM	Loading	China
	Noto III	11000	SBM	Loading	Thailand
Mumbai	Asian Robin	8000	SBM	Loading	
	Merco Rohannum	2000	SBM	Loaded	
	Asha Himani	5000	SBM	Arrived	Hodaiah

Rape/ Mustard meal

The Mustard meal prices were seen falling this week as the bearish phase of the market is stepping in. Fresh arrivals of rapeseed have started and around 1000 bags of the fresh mustard seeds were seen in the Kota mandi. It is now the time of bearish phase of the mustard meal to step in and the prices will gradually slip down as and when the arrivals and crushing of the mustard seed improves. Export market will also see some improvement in the activity levels in the times to come, right now the trading is feeble as the bid ask spread is wide enough to negate any trading at ports. At The crop is still expected to be higher from previous year despite some losses due to frost. The seed prices may remain stable at this moment until arrivals gears up.. The prices at domestic market will witness weakness as and when the arrivals and crushing finds momentum. The Mustard oilcake was quoted in Morena Rs 4600/MT on the last trading day of the week, while it was quoted Rs 4800/metric tonnes in the previous week. At the Kandla port the week saw some activity and the mustard meal was traded at Rs 5000 per MT.

Exports of Rapeseed meal during January 06 increased 43.9% to 16975 MT, similarly, the export for the period

between April to January fell 8.13% to 458475 MT from 499075 MT during the same period last year. The main destinations were, South Korea (16100 MT) and Indonesia (575 MT).

Groundnut meal

The week saw nothing new in GN Meal market and prices remained steady at the earlier levels. The arrivals of GN are diminishing in the major producing areas. The prices are almost steady. As the demand for Groundnut meal increases in winter season from the livestock feed industry, crushing of GN is done on support of GN meal prices as the oil prices are down at stage due to increased supply. The oil stocks have increased as the crushing in soybean is running at full throttle due to good demand and price of soymeal from the overseas markets. At the moment the crushing activity is expected to witness some sluggishness, which would support the prices in maintaining the current levels. GN meals (40%) were quoted stand still at Rs 6200 on credit and Rs 6000 on cash in Saurashtra.

GN Meal exports during January' 06 were 8400 MT according to reports of SEA of India. The export fell 2.8% to 103600 MT during April' 05 to January' 06 from 106625 MT during same period in 2004-05. The destination was china (8400 MT).

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)
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	28.12.05	04.02.06
Indore	8450-8650	8500-8700
Nanded	8400-8500	8600
Jalna/Dhulia	8400-8500	8500-8600
Kota	8200	8300-8400
Kandla	9350 (9300(b)-9500(a)	9200
Mumbai	9350 (9300(b)-9500(a)	9200
Vizag
Sangli	8700	8800

WEATHER WATCH: (28.12.05)

Chief Features

As no significant weather system is affecting the country., largely dry weather conditions continue to prevail over most parts of the country. This scenario is likely to continue for another 2-3 days. However, due to formation of an upper air cyclonic circulation extending upto 3.6 km a.s.l over northeastern states and neighbourhood, isolated rainfall is likely over the region and Sub-Himalayan West Bengal & Sikkim. Isolated rainfall is also likely over Tamil Nadu and Kerala. Day & night temperatures are 4-5°C above normal over many parts of north and central India. However, the temperatures of northwest India are likely to fall by 2-3°C during next 2 days.

Forecast valid for next 72 hours

NORTH: Weather will be mainly dry over the region.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.11
European Union	Euro	53.52
Japan	100 Yen	38.15
United Kingdom	Pound Sterling	78.10

USDA Monthly Export Sales Highlights (12th Jan'06)

The US Department of Agriculture put ending stock of US soybean for year 2005-06 at 13.74 million ton against its previous estimates of 11.02 million ton. Production of soy for Argentina increased to 13.92 million ton as compared to 13.64 in December; similarly production estimates for Brazil were also increased to 16.48 million MT from 14 million MT. The USDA pegged Soybean oil stocks at a whopping 1.12 million tonnes from 1.06 million MT last month. World ending stocks for soybeans for the 005/2006 seasons were pegged at a new all-time record high of

EAST: Isolated rain/thundershowers likely over northeastern States and Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region.

SOUTH: Isolated rain/thundershowers are likely over Nicobar island, Tamil Nadu and Kerala. Weather will be Mainly dry in the rest region.

WEST: Weather will be mainly dry over the region.

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

Isolated rain/snow is likely over Western Himalayas. However, largely dry weather conditions are likely to continue over most other parts of the country.

Source: IMD, GOI.

53.15 million tonnes from 48.11 million tonnes last month and from 42.09 million tonnes this past season. The higher world stocks numbers came mostly from weaker demand and higher productions. The ending stocks for U.S. soymeal for the 2005/2006 were constant at 0.23 million MT, the world ending stock position of soymeal however increased to 5.17 million MT from 4.04 million MT last month.

All India Statewise Production Estimates of Soybean, Groundnut and Mustard During 2005.

Area in Lakh Ha. Yield in kg per ha, Production in lakh MT

	Soyabean		Groundnut		Mustard/Rapeseed	
Name of the state	Yr.05-06	Yr. 04-05	Yr.05-06	Yr.04-05	State	Yr.05-06
Madhya Pradesh	33.50	34.5	1.5	1.5	Uttar Pradesh	8.5
Maharashtra	19.50	17.0	02.00	3.5	Rajasthan	29.0
Rajasthan	5.00	4.2	2.5	2.2	Punjab Haryana	9.0
Andhra Pradesh	1.30	0.2	12.5	14.5	Gujarat	4.0
Karnataka	1.40	1.0	5.0	8.2	Madhya Pradesh & Chhatisgarh	7.5
Chattisgarh	0.50	0.4		West Bengal	2.5
Gujrat			20.0	16.5	Eastern India and others	4.0
Tamilnadu			5.5	10.5	Sub Total	64.5
Rest of India	0.40	1.2	2.0	2.8	TORIA (All India)	1.5
Total	61.60	58.5	35.7	42.0	Grand Total	66.0

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