

MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal Domestic Market Prices Improved Slightly.**
- **NCDEX Soymeal April Contract Witnessed No Trading.**

COMMENTARY

DOMESTIC MARKET

Soy meal

The soymeal markets have been witnessing improvements in the prices since last few days and is likely to continue in this fashion for some time. Improvement is owing to activities in some ports and increase in Tariff rates and corresponding increase in the oil prices. Though the increase would give some relief to the crushers as far as margins are concerned. As the export demand has become prices sensitive and buyers are at bargaining position on account of huge stocks with U.S. The prices are likely to remain range bound at the current levels as the current situation is slightly mixed. Soymeal futures at NCDEX witnessed decrease in March contract and Increase in April contract today. CBOT soymeal futures improve on account of bullish export sales news..

The prices at Indore spot market were slightly improved in the range of Rs 8500-8700 per MT levels. March soymeal contract at NCDEX improved at Rs. 8465.0. April contract gain Rs. 77.0 to 8877.0. Ports witnessed slight increase. The prices at Kandla port improved slightly to Rs 9400.0 as compared to Rs 9300.0 yesterday whereas Mumbai port witnessed increase at Rs 9300.0 per MT.

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 2,000 MT of SBM is continuing at Kandla Port on the vessel 'Seven Star' to Kuwait. The vessel is being handled by Sai Shipping. 'Ever Power' is expected at Kandla Port to load 15,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

'Pavonis' has berthed at Mumbai Port and continues to load 3,000 MT of SBM. The vessel is being handled by Able Marine agents. 'Mercks Ruhunnu' is expected at the port to load 2,750 MT of SBM. Sai Shipping agents will be handling the vessel.

Jamnagara Port is loading 11,000 MT of SBM to China on the vessel 'Iran Kolhadoo'. The vessel is being handled by Seacrest agents. Loading of 12,600 MT of SBM is expected at the port on the vessel 'Iran Sokan' to China. The vessel will be handled by Seacrest agents. 'Weston' is expected at the port to load 26,000 MT of SBM to Vietnam. Interocean agents will be 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.

'Weston' is expected at the port to load 26,000 MT of SBM to Vietnam. Inter ocean agents will be handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Destination
Kandla	Ever Power	15000	Expected	Japan
	Seven star	2000	Loading	Kuwait
	Asha Himani	3000	Expected	Hodaidab
Jamnagar	Iran Kolhadoo	11000	Loading	China
	Iran Sokan	12600	Expected	China
	Weston	26000	Expected	Vietnam
Mumbai	Indruva Valley	2500	Loading	
	Pavonis	3000	Loading	
	Lover Star	6000	Loading	
	Mercks Ruhunnu	2750	Expected	

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	16.02.06	17.02.06
Indore	8400-8600	8500-8700
Nanded	8300	8400
Latur	8700-8800	8900
Dhulia	8400	8400
Jalna	8400	8500
Kota	8150	8250
Nagpur	7700 (41%) 8200 (45-46%)	7900 (41%) 8200 (45-46%)
Kandla	9350	9400
Mumbai	9250	9300
Vizag(approx)	8400	9300
Sangli	9000	8900
Solapur	8800	8800

Morena	8500	8450
Shivepuri	8250	8400

NCDEX Soy meal Futures Prices (17 Feb'06)

Contract	Prev Close	High	Low	Close	Change
March'06	8690.00	8745.00	8460.00	8465.00	-225.00
April'06	8800.00	8877.00	8850.00	8877.00	+77.00

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 60000-70000 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. 8.20 million tonnes as compared to the previous year's 6.25 million tonnes, supports the same thought. To some extent, Government buying (announced 25 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 6000 on credit and Rs 6500 per MT on cash in Saurashtra.

INTERNATIONAL MARKET

CBOT Soy Future Strengthen:

March Soybeans settled up 4.50 cents at \$5.9150/bushel, 0.50 cents off the high and 9 cents up from the low. May Soybeans settled up 5.25 cents at \$6.0425/bushel which was 9.75 cents up from the low and 0.75 cents off the high. March Soymeal settled up \$1.0 at \$183.4/ton that was \$2.0 up from the low and \$0.4 off the high. March Soybean Oil settled up 0.3 cents at 22.57 cents/pound, 0.03 cents off the high and 0.44 cents up from the low. Strong cash basis level on advent of harvesting of Brazil crop helped to support the market up. There is still talk of possible yield and crop

loss for Argentina due to hot and dry weather forecast for next week. Sellers are reluctant for going short due to expected increase of expected fund buying. Weekly US export sales for soybeans remain at 529,700 metric tonnes which remained in the range of trade expectations between 400,000-600,000. Meal sales remain high at 153,000 metric tonnes as compared to trade expectations between 75,000-125,000. Oil export sales remain on the lower reaches at 2,100 tonnes as compared to trade expectations between 0-10,000.

CBOT Soymeal futures as on February 16th 2006 (Unit: \$/MT)

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change (\$)
Mar 06	587.0	585.0	592.0	582.4	+4.4	591.4
May 06	599.0	596.4	605.0	594.4	+5.2	604.2

WEATHER WATCH: (17.02.06)

Forecast valid for next 72 hours

Mainly dry weather conditions are likely to prevail over the country for the next 2 days outside northeastern States where isolated to scattered rain/thundershowers are likely. A fresh western disturbance is likely to cause scattered rain/snowfall over Jammu & Kashmir and Himachal Pradesh from 19th to 21st February. The day & night temperature over Rajasthan, Haryana, West Uttar Pradesh and adjoining northwest Madhya Pradesh are above normal by 6-8°C. This scenario is likely to continue for next 3-4 days.

NORTH-WEST INDIA: Largely dry weather is likely over the region. Light rain/snow likely over Jammu & Kashmir and Himachal Pradesh on 19th.

EAST INDIA: Isolated rain/thundershowers is likely over Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region. Day & night temperature over the region is likely to remain 2-5 °C above normal.

NORTHEAST INDIA: Rain/thundershowers are likely over at a few places over Assam & Meghalaya and Arunachal Pradesh and isolated over the rest region.

SOUTH INDIA: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region. Night temperatures over the Peninsula are likely to remain near normal.

WEST INDIA: Weather will be mainly dry over the region. Day and Night temperatures over Rajasthan and Gujarat are likely to remain significantly above normal.

CENTRAL INDIA: Weather will be mainly dry over the region. Day and Night temperatures over Madhya Pradesh and Chhattisgarh are likely to remain significantly above normal.

Source: MDI, GOI

FOREX RATES (17.02.06)

Country/ Continent	Currency	Value Rupees	in
USA	Dollar	44.46	
European Union	Euro	52.86	
United Kingdom	GBP	77.18	

Japan	100 Yen	37.64
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