

MAJOR ACTIVITY HIGHLIGHTS

- A Bearish Tone Prevailed in Spot on Lower Demand
- Weather Remains Adverse for Soy Crop

NEWS ANALYSIS

USDA Export Sales Highlights

Soybean Cake and Meal: Net sales of 108,600 MT were 22 percent above the previous week, but 2 percent under the prior 4-week average. The primary buyers were Japan (18,900 MT), Colombia (16,600 MT), Mexico (15,400 MT), Canada (15,300 MT), and the Dominican Republic (11,500 MT). Exports of 153,000 MT were 10 percent below the week earlier, but 14 percent above the prior 4-week

average. The primary destinations were Mexico (56,300 MT), Canada (22,000 MT), Colombia (21,000 MT), Saudi Arabia (18,300 MT), and Egypt (15,300 MT).

Source-USDA

Export of Oil meal (Extractions) from April 06 to July'06 with comparative period of previous year (Qty. in MT)

| Month | S.B.EXT | R.S.EXT. | G.N.EXT | R.B.EXT. | S.F.EXT. | CST.EXT. | TOTAL |
|-----------------|-----------|----------|---------|----------|----------|----------|-----------|
| April 2006 | 316,925 | 53,425 | 12,400 | 5,650 | --- | 10,825 | 399,225 |
| | 99,250 | 90,900 | 12,950 | --- | ---- | 17,800 | 220,900 |
| May 2006 | 140,075 | 77,400 | 18,525 | 4,750 | --- | 15,575 | 256,325 |
| | 156,100 | 69,650 | 3,025 | 6,875 | ---- | 50,200 | 285,850 |
| June 2006 | 108,975 | 79,900 | 12,175 | 11,000 | ---- | 7,600 | 219,650 |
| | 115,750 | 53,975 | 8,900 | 12,675 | - | 20,225 | 211,525 |
| July 2006 | 119,450 | 49,500 | --- | 11,000 | --- | --- | 179,950 |
| | 135.550 | 45.750 | 17.700 | 16.500 | --- | 11.525 | 227.025 |
| Total | 685,425 | 260,225 | 43,100 | 32,400 | --- | 34,000 | 1,055,150 |
| | 506.650 | 260.275 | 42.575 | 36.050 | | 99.750 | 945.300 |
| 2005-0006(F.Y.) | 3,424,600 | 533,275 | 137,925 | 125,325 | 750 | 201,150 | 4,423,025 |
| 2004-2005(F.Y.) | 1,861,325 | 588,805 | 121,475 | 43,056 | 4,790 | 70,750 | 2,690,201 |
| 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 |

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS

November Soybeans settled down 6 cent at \$5.6825/bushel, 8.75 cent off the high and 3 cents up from the low. August Soybeans settled down 6 cent at \$5.51/bushel, which was 2 cent up from the low and 4 cent off the high. December Soybean meal settled up \$0.5 at \$163.2/ton that was \$2.2 up from the low and \$0.6 off the high. December Soybean Oil settled down 0.78 cent at 26.02 cent/pound, 0.86 cent off the high and 0.04 cent up from the low. Weakness in the cereals results in the bearish impact on the soybean market. Favourable weather forecast for the soybean growint region further adds to its

bearish sentiments. US soybean production for 2006 was projected at 2.928 billion bushels, which remain lower than the trade estimate at 3.028 billion (range 2.909-3.114) and still below the last month's estimate at 3.010 billion bushels. USDA projected world ending stocks near 533 million bushels compared to the trade expectations between 515-545 million bushels. On the other hand the ending stocks for 2006/2007 season were projected at 450 million bushels.

CBOT Soy Meal Futures as on Aug 11th.

| Month | Open | High | Low | Close | Chg |
|--------|-------|-------|-------|-------|------|
| Aug 06 | 158.0 | 159.5 | 156.5 | 159.3 | +1.4 |
| Sep 06 | 159.7 | 159.7 | 157.6 | 159.0 | +0.4 |

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

A steady to bearish sentiment was witnessed in majority of the soy-meal market in the country. The lower demand still prevailed in the market. The export demand reportedly at some lower side also. The rainy season lowered the market activities. Traders perceived that the market sentiments may eased further in the coming days. The end of rainy

season may drive the market at some upper sides in future. No trading at NCDEX in Soy meal futures was witnessed. However, traders have been closely monitoring the rainfall activity for further direction.

DOC Rates at Different Centres

| Places | Ex-factory rates (Rs/ton) | |
|----------------|---------------------------|-----------|
| | 05.08.06 | 14.08.06 |
| Indore (MP) | 8050-8100 | 7800-8100 |
| Datia (MP) | 8700 | 8100 |
| Shivpuri (MP) | 8400 | 8000 |
| Nanded/Latur | 8600-8700 | 8500 |
| Dhulia/Jalna | 8500-8600 | 8300 |
| Nagpur (42/46) | 8400-8700 | 8200-8500 |
| Sangli | 9200 | 9000 |
| Solapur | 9100 | 8900 |
| Kota | 8400-8500 | 8150 |

Soy Meal Vessel Report (14.07.06)

Current vessel positions in different ports

` Loading of 9,000 MT of SBM is continuing at Kandla Port on the vessel `Asian Rose' to Japan. The vessel is being handled by Taurus agents. `Marine Blue' is expected at the port to load 16,000 MT of SBM to Vietnam. Another vessel, `Be Gae Bong' is also expected at the port to load 8,000 MT

of SBM to Vietnam. Shantilal agents will be handling these vessels. The port is expecting `Young Xiang 9' to load 10,300 MT of SBM to Vietnam. The vessel will be handled by Seaworld agents.

Current Vessel Position

| Ports | Vessels | Vol. (MT) | Status | Commodity | Destination |
|--------|-------------|-----------|----------|-----------|-------------|
| Kandla | Asian Rose | 9000 | Berthed | SBM | Japan |
| Kandla | Marine Blue | 16,000 | Expected | SBM | Vietnam |

Rape/ Mustard meal

Lower demand coupled with rainfall in Gujarat still pressurised the market activities. However, the prices improved slightly. Export demand remained at slow pace. Exporters are reportedly covered for their immediate demand and this led to decrease in export demand. Also, regular selling by Nafed has also regulating the market sentiments. Nafed is selling mustard in Rajasthan at Rs 1585 per qtl. Crushing is continuing as demand for Kachi ghani is good from eastern states. The DOC

prices at Kandla and Mundra were quoted higher at Rs. 4550 and 4675 (in PP bags) respectively. Prices for the same at Jamnagar were quoted higher also at Rs 4550 per ton. Jaipur market was offered the same at slightly higher of Rs.3850 per ton. Indore offered at Rs.4200 per ton and Kota quoted the same at Rs. 3850 per ton. Steady to weak tone likely to prevailed in the market.

Groundnut meal

The groundnut market continued weak on poor demand amidst good stock position. Rainy season also weaken the market tone. The export demand is also reportedly steady at some lower side. However, any losses due to these rains have been

ruled out. The prices of groundnut meal (40%) were quoted lower at Rs. 6400 while 45% was offered also lower at 7000 per MT in Rajkot.

Monsoon Outlook (14.08.06)

- ✍ Yesterday's well marked low pressure area over Chhattisgarh and neighbourhood now lies over East Madhya Pradesh and neighbourhood. The system is likely to move slowly in west-northwesterly direction. Under its influence, widespread rainfall with heavy to very heavy falls at a few places and isolated extremely heavy falls (25 cms or more) are likely over southwest Madhya Pradesh during next 24 hours. Fairly widespread rainfall with isolated heavy to very heavy falls are also likely over northwest Madhya Pradesh, north Marathawada, north Madhya Maharashtra and southeast Rajasthan during same period. Subsequently the enhanced rainfall belt is likely to extend to Gujarat region and Konkan & Goa(including Mumbai) around 15th night.
- ✍ Yesterday's low pressure area over southern parts of West Rajasthan and neighbourhood now lies over Kutch and neighbourhood. Under its influence, fairly widespread rainfall with isolated heavy to very heavy falls likely over Saurashtra & Kutch during next 24 hours.

Heavy Rainfall Warning:

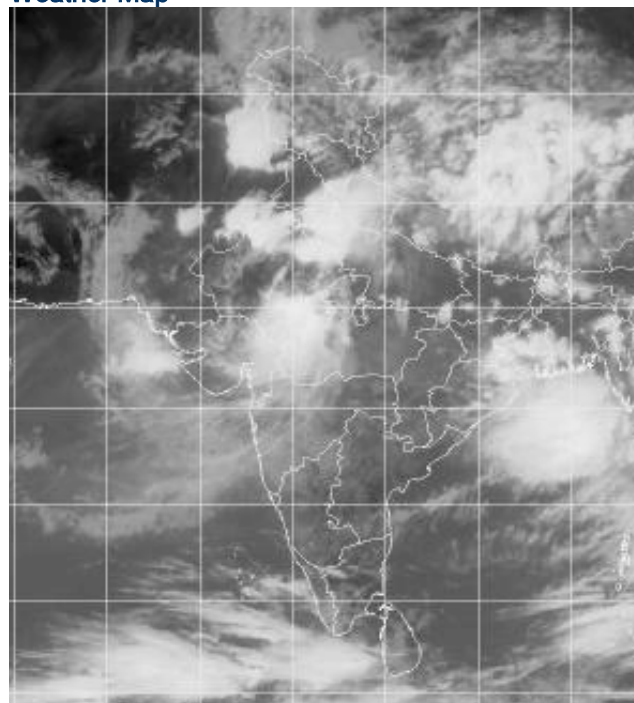
- ✍ Heavy to very heavy rainfall at a few places with isolated extremely heavy falls (25 cms or more) likely over southwest Madhya Pradesh.
- ✍ Isolated heavy to very heavy falls also likely over Saurashtra & Kutch, southeast Rajasthan, northwest Madhya Pradesh, north Marathawada and north Madhya Maharashtra.

Outlook for subsequent two days from 0830 hours IST of 15th August 2006 (Based on numerical weather products):

- ✍ A low pressure area is likely to form over north Bay of Bengal off Orissa and west Bengal coast around 16th. Under its influence, enhanced rainfall activity is likely over Orissa and Gangetic West Bengal.

Source: **IMD**

Weather Map



Source-IMD

Forex

Forex rate as on 14.08.06

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 46.56 |
| European Union | Euro | 59.36 |
| Japan | 100 Yen | 40.00 |
| United Kingdom | GBP | 88.13 |

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