

MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal Prices Hold Steady Levels**
- **Trading of Rape DOC Slows Due to Rains**

DOMESTIC MARKET

Soy meal

Soymeal markets observed steady trend. Demand for the same remained weak both in domestic and international markets. Exporters blame to repeated incidence of 'bird flu' for this downtrend in soy meal markets. Major exporting nations are now targeting other possible/potential alternatives like aquaculture, beef industry etc in the Asian nations. Protein blocks (heat-treated soybean meal) are likely to be started as feed to the cattle in Asian nations like Indonesia and Thailand. Other fundamentals stand bearish in domestic markets. Crushing is not lucrative due to depressed prices of soy oil. Stock of soybean is still reported well in interior markets. Although arrivals of soybean have been affected due to rains in most areas, traders do not rule out possibility of reasonable stocks still in possession of farmers, as crushing had slowed due to findings of 'bird flu' early this year in India.

Current vessel positions in different ports

- Mumbai Port is loading 3,500 MT of SBM on the vessel 'Badulu Valley'. Sai Freight agents is handling the vessel.
- Loading of 9,000 MT of SBM is expected at Kandla Port on the vessel 'Asian Rose' to Japan. The vessel will be handled by Taurus agents.

Current Vessel Position

| Ports | Vessels | Vol. (MT) | Status | Desti-Nation |
|--------|---------------|-----------|----------|---------------------|
| Kandla | Asian Rose | 9000 | Expected | Japan |
| Mumbai | Badulu Valley | 3500 | Loading | Unknown Destination |

DOC rates at different centers

| Places | Ex-factory rates (Rs/ton) | | |
|---------------|---------------------------|-----------|--------------------------|
| | 03.08.06 | 02.08.06 | Parity To |
| Indore (MP) | 8050-8100 | 8050-8100 | Guj, MP |
| Datia (MP) | 8700 | 8700 | Up, Bihar, Bengal, Nepal |
| Shivpuri (MP) | 8400 | 8400 | Up, Bihar, Bengal, Nepal |
| Nanded/Latur | 8600-8700 | 8600-8700 | Andhra, AP, Kar, TN |
| Dhulia/Jalna | 8500-8600 | 8500-8600 | Mumbai |

| | | | |
|----------------|-----------|-----------|---|
| | | | Maharashtra |
| Nagpur (42/46) | 8400-8700 | 8400-8700 | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Sangli | 9200 | 9200 | Local and South |
| Solapur | 9100 | 9100 | Local and South |
| Kota | 8400-8500 | 8400-8500 | Rajasthan, Del, Punjab, Haryana |

DOC Port rate at different centers

| Centers | FOR Price | |
|---------|-----------|----------|
| | 03.08.06 | 02.08.06 |
| Kandla | 8800 | 8800 |
| Mumbai | 9100 | 9100 |

Rape/ Mustard Meal

Demand for Rape DOC weakened on export front, so is it prices. According to traders, some big vessels are due to loaded in coming weeks, which have been delayed due to heavy rains in recent. Large stock of the same has got stuck at Gujarat ports. The DOC prices at Kandla and Mundra were quoted at Rs. 4750 and 5000 (in PP bags) respectively. Prices for the same at Jamnagar were quoted at Rs 4675 per ton. Prices for the same in Jaipur were quoted at Rs 4100 per ton. Slight ease is likely due to subdued demand on export front.

Sunflower Meal Rates at Different Centres

| Places | Ex-factory rates (Rs/ton) | |
|--------------------|---------------------------|-----------|
| | 03.08.06 | 02.08.06 |
| Chalisingaon | 5000 | 5000 |
| Khamgaon | 4700 | 4725 |
| Rudrapur | 4050-4100 | 4050-4100 |
| Parli/Latur/Nanded | 4750-4800 | 4750-4800 |

Groundnut meal

Groundnut meal markets continued to see dull trend. Trading of Groundnut DOC has been affected due to unfriendly weather in Gujarat. Traders rule out possibility of crop losses, as swing in most areas had completed few weeks ago. Supplies to the major consumption areas, however, have turned slow due to rains. The prices of groundnut meal (40%) were quoted at Rs. 6700 while 45% was offered at 7150 per MT in Saurashtra. Prices for the same in Jamnagar were quoted at Rs 6950-7000 per MT.

CBOT

Soy futures at Chicago Board of Trade settled higher on fresh weather concern. November soybean settled 7.5 cents higher at \$6.0125 per bushel. December soybean settled up \$1.5 at \$168.6 per short ton and December soybean up 24 points at 27.63 cents per pound. Concerning weather situation expected ahead in major corn belts helped pushing futures higher. Soybean is in crucial stage of pod setting. Dry conditions at the point of time could cut the yield potential of the crop. This is the only bullish factor, otherwise there was nothing much to support bullish dispositions. Taiwan passed on its purchase of 30,000-60,000 ton of US/Brazil origin due to high prices. Large intentions of deliveries were posted against August contract., which totals 1,144 contracts for soybean, 491 contracts for meal and 783 contracts for soybean.

People also are not expecting magic number from the weekly export report. Traders are expecting soybean weekly export to come in the range of 1.50-4.00 lakh tonnes. Export of meal is expected between 80,000-135,000 tonnes and soy oil between 1,000-6,000 tonnes.

CBOT Soy Meal Futures as on Aug 02

| Month | Open | High | Low | Close | Chg |
|--------|-------|-------|-------|-------|-------|
| Aug 06 | 162.3 | 163.6 | 162.2 | +1.4 | 162.5 |
| Sep 06 | 163.8 | 165.7 | 163.8 | +1.6 | 164.3 |

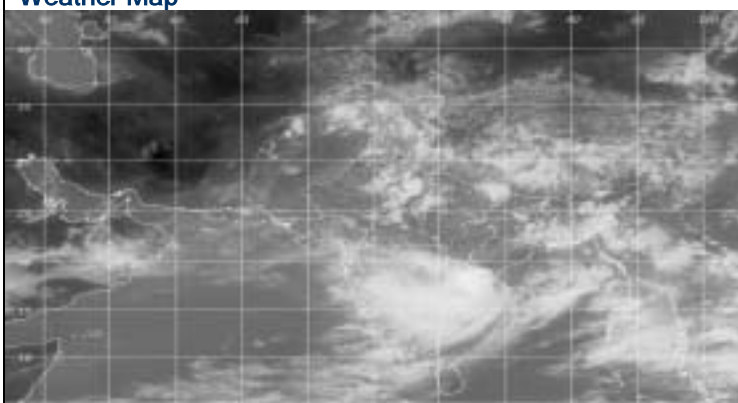
WEATHER WATCH

Chief Features

Yesterday's deep depression over northwest Bay of Bengal, crossed Orissa coast between Gopalpur and Puri around 0830 hours IST of today and lay centered over land near Lat. 19.5 N, and Long. 85.0 E about 50 km north-northeast of Gopalpur. It further moved slightly westwards and lay centred at 1430 hours IST of today near Lat. 19.5 N, and Long. 84.5 E about 50 km northwest of Gopalpur. The system is likely to move in a west-northwesterly direction. Under its influence, heavy to very heavy falls at a few places with isolated extremely heavy falls (more than 25 cm) likely over north Coastal Andhra Pradesh, south Orissa and south Chhattisgarh during next 24 hours. Squally winds speed reaching 50-60 KMPH is likely along and off south Orissa and north Coastal Andhra Pradesh during next 12 hours.

Source- IMD

Weather Map



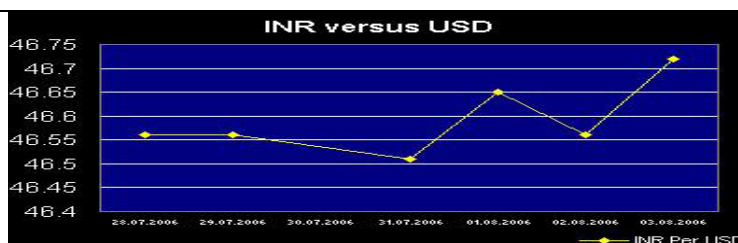
2006-08-03 09:00:03

Source- IMD

Forex

Forex rate as on 03.08.06

| Country/Continent | Currency | Value in Rupees |
|-------------------|----------|-----------------|
| USA | Dollar | 46.720 |
| European Union | Euro | 59.610 |
| Japan | 100 Yen | 40.720 |
| United Kingdom | GBP | 87.670 |



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.