

OILMEAL

6th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal: Domestic Market Showing Weaker Sentiments
- Indian Oilmeal Export (May, 2005); Export to China

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market showed a steady trading in the domestic market. At NCDEX the June contract slipped down a bit after a strong bullish week. The bearish scenario prevailed during the daylong trade. The soymeal futures at CBOT on Friday moved ahead due to rain forecasting and speculative buying. Soymeal future is expected to remain weak for the day but likely to improve in the coming days.

Plant delivery quotes of Soy seeds remained in the range of Rs 1315 per qtl in Indore while soymeal in physical market has been offered at Rs 9500-9600 per MT, as per quality. FOR quotes remained at Rs 9850 - 9950 per MT in Kandla in jute bags, FAS has been put at \$ 228 - 230 per MT.

India's soymeal exports totaled 225,825 tons in March, 2005 compared with 457,100 tons in March 2004.

Soy meal vessel report

Mumbai Port is loading 3,000 MT of SBM on the vessel 'Merco Ruhunnu'. Transworld logistics agents is handling the vessel.

Loading of 17,125 MT of SBM is expected at Kandla Port on the vessel 'Le Rong' to Japan. The vessel will be handled by Interocean agents.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
Indore	9500-9600
Satna/Morena	9100
Javra/ Mandsore	-
Nanded	9000
Nagpur (42-43%)	8700-9200
Latur	9100
Sangli	9400
Dhulia/Jalna	9200-9000
Kota	9550

NCDEX Soy meal Futures price (6th June)

	Prev Close Price	High Price	Low Price	Close Price	Change
June	9097.00	9100.00	9000.00	9040.00	-57.00
July	9350.00	9275.00	9241.00	9241.00	-109.00

Rape/ Mustard meal

The rapemeal cash market improved from where it left off from and ther bullish sentiments is likely to prevail for the week.

In Shivpuri/ Morena, rates remained at Rs 4350 per MT; Kota & Barah at Rs. 4200 per MT.

Central Organisation For Oil Industry And Trade (COOIT), 1st Advance estimates for the year 2004-2005 has put the Rapeseed/Mustard crop production along with Kharif Toria (1.8 lakh tonnes) to 72.0 lakh tonnes in 2005.

India exported **19,525** tons of rapemeal in March 2005 as compared to 23,775 in March 2004.

Groundnut meal

The groundnut meal market maintained a steady trading at Junagarh. The market at Dhulia also remained bullish during the day. The demand also shows an upward surge and might further improve.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6200 for 40% protein and at Dhulia market it was quoted at Rs. 7700 for 42 per cent protein.

Central Organisation for Oil Industry and Trade (COOIT), 1st Advance Rabi Estimates for the 2004-2005 has put the Rabi GN crop at 17 lakh tonnes, same as last year.

India exported around **4,750 MT** groundnut meal in March, 2005 as compared to 23,875 MT in March, 2004.

INTERNATIONAL MARKET

CBOT: Remained closed on weekend Holiday

(One million metric tons of soybeans or wheat equals 36.74 million bushels.)

CBOT Soymeal Futures as on 3rd June, 2005

						(Cents/pound)
Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	210.9	210.8	216.3	210.8	4.3	215.2
Aug'05	211.1	213.0	216.3	212.5	4.2	215.3

CBOT remained closed on Saturday and Sunday

China's Import Report

Unit : mt	Apr 2005 (Qty) mt	Jan-Apr 2005 (Qty) mt
Soymeal Total	67,481.49	226,535.27
Japan	58,011.82	199,242.31
Korea, Rep	5,084.68	13,684.98
Korea, DPR	32.20	5,881.54
Malaysia	3,189.24	3,189.24
USA	1,040.47	2,607.14
Vietnam	18.00	553.00
Netherlands	0.00	540.00
United Kingdom	0.00	320.00
Kazakhstan	0.00	239.98
Guinea	0.00	102.00
Philippines	40.00	80.00
Hong Kong	25.02	55.02
Canada	40.06	40.06

NEWS ANALYSIS

India: Oilmeal Export (May 2005)

The export of oil meals during May 2005 is reported at 285,850 tons compared to 423,925 tons in May last year i.e. down by 33 %. The overall export of oilmeal for the month of April to May 2005 is reported at 506,750 tons compared to 901,350 tons during the same period of last year i.e. down by 44%. Last year, India had excellent soybean crop and demand of meal was at peak with best price had lead to record export of soybean meal.

Record Export of Castor Meal

India exported record quantity of Castor meal during April-May 2005 and reported at 68,000 tons during this two months. There was no export during same period of last year and total export during whole year was 70,750 tons. S.Korea imported 53, 875 tons while Taiwan import 14,125 tons during April-May for its usage as Organic fertilizer.

Export to China

Last year SEA had deputed a trade delegation to China which has yeiled results and market has opened up for Indian oilmeals. China, during 2004-05 (April-March)

imported 78,000 tons of Rapeseed meal, 55,000 tons of Groundnut meal and 33,000 tons of Soyeam meal and trend is continued during current year. In April-May 2005 china has imported 57,000 tons of Rapeseed meal and 13,000 tons of Groundnut meal.

Port-wise Export

The export from Kandla is reported at 315,600 tons (62%), followed by Mumbai which handled 91,575 tons (18%), Bedi handled 45,675 tons (9%) ,Vizag handled 46,275 tons (9%) and Kakinada handled 6,875 tons (1%).

USDA Export Sales (For May 20 -26)

Soybean Cake and Meal: Net sales of 54,600 MT were 30 percent below the previous week and 29 percent under the prior 4-week average. The primary buyers were Mexico (24,700 MT), Canada (8,900 MT), Japan (8,500 MT), and Ecuador (5,000 MT). Exports of 100,100 MT were 50 percent above the previous week and 9 percent over the prior 4-week average. The primary destinations were Japan (32,600 MT), Canada (18,500 MT), Mexico (13,100 MT), Colombia (12,100 MT), and El Salvador (8,900 MT).

Commodity Wise Export of Oilmeal

India's oil meal exports from April '04 - April'05 (compared to comparative period of previous year 2003-04)

Quantity in metric tonnes

Months	Total	2004-05				
		S.B. Ext.	R.S. Ext.	G.N. Ext	CST Ext.	R.B. Ext.
April'04	477,425	366,625	96,000	14,800	---	---
May'04	423,925	278,300	100,875	44,750	---	---
June'04	182,550	94,500	45,575	30,475	6,200	5,800
July'04	75,950	19,250	54,400	2,300	---	---
Aug'04	80,386	17,325	33,325	8,750	15,225	5,761
Sept'04	70,725	12,875	52,100	---	---	5,750
Oct'04	47,725	18,750	17,300	4,450	7,225	---
Nov'04	215,620	174,950	28,850	---	---	11,820
Dec'04	374,325	303,750	40,375	---	16,275	13,925
Jan'05	215,750	173,550	30,275	1,100	10,825	---
Feb'05	270,930	175,625	70,205	10,100	15,000	---
Mar'05	250,100	225,825	19,525	4,750	---	---
Apr'05	220,900	99,250	90,900	12,950	17,800	---
2004-05	2,685,411	1,861,325	588,805	121,475	70,750	43,056
2003-04	3,323,025	2,683,675	447,050	126,750	65,550	---
2002-03	1,896,521	1,333,318	455,533	15,225	92,445	---
2001-02	3,020,777	2,509,207	313,012	101,001	97,557	---
2000-01	2,336,638	2,182,142	62,968	18,609	10,992	---
1999-00	2,428,470	2,249,505	79,874	1,808	93,365	---
(F.Y)						

S.B.- Soybean Extns., R.S.- Rapeseed Extns., G.N.- Groundnut Extns., CST - Castoseed Extns, R.B.- Ricebran Extns
Source: SEA Data Bank

WEATHER WATCH:

Rain/thundershowers likely at a few places over Konkan & Goa and madhya Maharashtra. Isolated duststorm/thunderstorm likely over Rajasthan and west Madhya Pradesh. Mainly dry weather in the rest region.

Outlook for subsequent two days: Current rainfall activity over coastal Karnataka, Kerala and Lakshadweep is likely to continue.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.60
European Union	Euro	53.37

Technical Analysis

June 4, 2005

Commodity : Soymeal
Contract : June (Future)
Exchange : NCDEX
Perspective : Very Short Term (Daily)



Candlesticks: The candlestick pattern is showing a bullish trend during the daylong trade but prices remained weak. However, the resistance and support level will be at 9050 and 8985 levels respectively.

Moving Average: The 3-day MA is above the 5-day MA but the 3-day MA is showing a weak trend.

MACD: The MACD (5-day) has cut the EMA from the bottom side and both are showing an upward movement. However, both are in the negative territory.

Stochastic: The %K-line has cut the %D-line from above and is moving downward.

All the indicators except the MACD and candlestick are pointing towards weakness in the prices. The market is going to remain so for tomorrow also.

Recommendation: If the prices go above the resistance level at around 9050 mark, remain long.

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