



Trade Research Report

Oil Meal

MARKET TRENDS, HIGHLIGHTS AND RECOMMENDATIONS

Periodicity: DAILY

Date: 2nd June, 2005

Soymeal: Domestic Market Firmly Move Ahead; CBOT: Soymeal Futures Reversed on Weather Concern

Soy meal

The cash market showed steady trading in the market. At NCDEX the June contract moved ahead showing an upward deviation. The trading maintained a positive tone and is moving ahead. The soymeal futures at CBOT on Wednesday moved higher amid weather concern and also due to spread of Asian rust. Soymeal future is expected to remain range bound with an upward inclination.

Plant delivery quotes of Soy seeds remained in the range of Rs 1320 per qtl in Indore while soymeal in physical market has been offered at Rs 9100-9400 per MT, as per quality. FOR quotes remained at Rs 9850 – 9950 per MT in Kandla in jute bags, FAS has been put at \$ 230 - 232 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 'Mercks 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 centres

Places	Ex-factory rates (Rs/ton)
Indore	9100-9400
Satna/Morena	9100
Javra/ Mandsore	-
Nanded	8900
Nagpur (42-43%)	8600-9000
Latur	9100
Sangli	9400
Dhulia/Jalna	9100-9200
Kota	9500-9600

NCDEX Soy meal Futures price (2nd June)

	Prev Close Price	High Price	Low Price	Close Price	Change
June	8975.00	9125.00	8994.00	9100.00	+125.00
July	9251.00	9300.00	9225.00	9300.00	+49.00

Rape/ Mustard meal

The rapemeal cash market further showed an improvement in the market. The transaction remained stable in the market with traders getting into the business actively. The arrivals were almost the same. The trading is likely to surge ahead in the week.

In Shivpuri/ Morena, rates remained at Rs 4300 per MT; Kota & Barah at Rs. 4250 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 improved further and moved ahead to further new highs at Junagarh. The market at Dhulia also remained bullish with sound trading. 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: Soymeal Futures Reversed on Weather Concern

Soybean futures at the Chicago Board of Trade ended firmly on Wednesday, after reversing back from initial weakness due to concern over weather and the spread of Asian rust, which provided the base for speculative buying.

July soymeal settled \$0.90 higher at \$215.60 a short ton, and July soyoil ended 35 points higher at 23.50 cent a pound. Soymeal futures ended

modestly higher, and were underpinned from soybeans and speculative led buying.

Weather concerns that weekend rains will not be sufficient enough to recover the moisture deficiencies in the eastern Midwest coupled with soybean rust have created a sparked upside momentum that was accelerated by technical buying.

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

CBOT Soymeal Futures as on 1st June, 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	214.7	214.2	217.3	212.5	0.9	215.6
Aug'05	214.7	213.2	217.5	212.8	1.2	215.9

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

Weather Watch:

Rain/thundershowers likely at many places over Konkan & Goa and at a few places over madhya Maharashtra and isolated over rest Maharashtra. Mainly dry weather in the rest region.

NEWS ANALYSIS

USDA Weekly Export

USDA weekly soybean export inspections totaled 9.994 million bushels, down 11.8% from last week's 11.334 million. This was in the range of expectations for 8 million to 12 million bushels. The exact figures will come on June 3rd, 2005.

Commodity Wise

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

Quantity in metric tonnes

<u>Months</u>	<u>Total</u>	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	---	---
<u>Apr'05</u>	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 (F.Y)	2,428,470	2,249,505	79,874	1,808	93,365	---

S.B.- Soybean Extns., R.S.- Rapeseed Extns., G.N.- Groundnut Extns., CST - Castorseed Extns, R.B.- Ricebran Extns

Source: SEA Data Bank

Forex Rates

Foreign Currency	Indian Currency	Value
1 USD	Rupee	43.76
1 Euro	Rupee	53.50

Technical Analysis

June 2, 2005

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



Candlesticks: The candlestick pattern is showing a bullish trend and the prices showed an upward movement in the market. However, the resistance and support level will be at 9130 and 8950 levels respectively.

Moving Average: The 3-day MA is above the 5-day MA and the 3-day MA is steady and both are moving ahead parallel.

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 below and is moving ahead after showing a reverse action.

All the indicators are pointing towards firmness in the prices. The market is going to remain firm with a slight upward movement. The market is under pressure.

Recommendation: If the prices go below the support level at around 8994 mark, remain short.

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