

OILMEAL

15th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal: Domestic Market Remained Bullish
- CBOT: Soymeal Futures Increase Amid Weather Concern
- US Soymeal Demand on the Rise

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market made some bullish trading in the domestic sector during the daylong trade. However, at NCDEX the June contract after a firm opening is showing a range bound movement and later on slowed down and closed at Rs. 8750. The CBOT soymeal market settled higher on Tuesday due to weather concern and supportive demand in the domestic US market. Soymeal future is likely to open weak and will remain range bound during the daylong trade.

Plant delivery quotes of Soy seeds remained in the range of Rs 1305 per qtl in Indore while soymeal in physical market has been offered at Rs 9200-9550 per MT, as per quality. FOR quotes remained at Rs 9800 - 9900 per MT in Kandla in jute bags, FAS has been put at \$ 230 - 231 per MT.

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

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
Indore	9200-9550
Satna/Morena	-
Javra/ Mandsore	-
Nanded	8900
Nagpur (42-43%)	8700-9100
Latur	9100
Sangli	9300
Dhulia/Jalna	9300-9100
Kota	9400

Soy meal vessel report

Loading of 13,000 MT of SBM is continuing at Kandla Port on the vessel 'Phoung Dong 3' to Vietnam. The vessel is being handled by Hind Shipping agents. Kandla Port is

loading 19,800 MT of SBM on the vessel 'Patwira' Naree' to Japan. The vessel is being handled by Taurus agents. 'IBI' is expected at the port to load 15,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

Jamnagar Port is expecting 'Banglar Gourab' to load 11,400 MT of SBM to Thailand. MNK agents will be handling the vessel.

NCDEX Soy meal Futures price (15th June)

	Prev Close Price	High Price	Low Price	Close Price	Change
June	8740.00	8825.00	8750.00	8750.00	+10.00
July	9181.00	9240.00	9103.00	9180.00	-01.00

Rape/ Mustard meal

The rapemeal cash market maintained a steady market at major market places. The demand in the market is at a firm level. The market is expected to stay range bound for the week.

In Shivpuri/ Morena, rates remained at Rs 4300 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 prices of groundnut meal in the domestic market remained firm and stayed at yesterday's level. The demand also remained at the same level as last week. The market is expected to remain firm at this level for the week.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6000 - 6300 for 40% protein and at Dhulia market it was quoted at Rs. 7700 for 42 per cent protein.

INTERNATIONAL MARKET

CBOT: Soymeal Futures Increase Amid Weather Concern

Soybean futures on the Chicago Board of Trade ended firm on Tuesday, as weather-related concerns continued to push up the speculative buying. Soymeal followed the gains of soybeans. Soymeal gathered additional support, as domestic soymeal demand remained strong as shown by a higher-than-expected crush figure on Tuesday from the National Oilseed Processors Association (NOPA).

July soymeal settled \$4.00 higher at \$220.90 a short ton and July soyoil ended 24 points higher at 23.25 cents a pound.

CBOT Soymeal Futures as on 14th June, 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	216.9	216.8	221.0	216.8	4	220.9
Aug'05	217.7	217.8	221.6	217.8	3.9	221.6

CBOT remained closed on Saturday and Sunday

The weather forecast is showing dry weather, with below-normal temperatures across the Midwest for the remainder of the week. And so the chances for additional rainfall in the eastern Midwest (east of the Mississippi) will be minimal. Corn and soybean soil moisture will continue to lag even average supply for this time of year. Beneficial overnight rains in central Illinois generated selling pressure, but with

NEWS ANALYSIS

US Soymeal Demand on the Rise

The larger domestic crush is being driven by soybean meal consumption. Domestic use of meal is projected at 33.9 million tons, 450,000 above the May projection. Meal exports are expected to reach 6.1 million tons, 100,000 above the May projection.

Exports of U.S. soybeans during the current marketing year are now projected at 1.11 billion bushels, 10 million larger than the May projection and 110 million larger than projected in September 2004. Year ending stocks are projected at 320 million bushels.

Stocks at that level would be the largest in 6 years, but would be 140 million bushels less than projected in December 2004. If the 2004 crop was a bit smaller than the current USDA estimate of 3.141 billion bushels, as suggested by the December and March Grain Stocks report, year ending stocks may be near 300 million bushels. While year ending stocks of U.S. soybeans will be ample,

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.

long-range forecasts showing dryness the prices are under pressure.

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

WCE: Canola Ended on a Strong Note

Grain and oilseed futures at the Winnipeg Commodity Exchange (WCE) finished Tuesday's session mostly higher with the market mainly supported by the strength in Chicago Board of Trade soybean and corn futures.

Canola futures bounced to both sides of Monday's close, ending modestly higher in moderate trade. Canola did not see the extreme volatility of the CBOT soybean market but was mainly boosted by the firm tone in CBOT soybean futures. Steady commercial demand gave support in the new crop. The firm Canadian dollar and sluggish export demand were also bearish features of the trade.

China: Soybean Futures Lower on Tuesday Amid Slow Trading

Soybean futures traded on the Dalian Commodity Exchange settled mostly lower in slow trading Tuesday, shrugging off overnight gains in Chicago Board of Trade soybean futures. The benchmark September 2005 soybean contract fell CNY7 a metric ton to settle at CNY3,086/ton, after trading between CNY3,060 and CNY3,104/ton.

well above the 150 to 180 million generally considered as 'tight', the smaller projection results in increased importance on the size of the 2005 crop.

World Soymeal Consumption Projected to Increase (2005-06)

Global protein soymeal consumption is projected to increase by 3 percent in 2005/06, primarily due to gains for soybean meal. Protein meal consumption in China is projected to increase by 8 percent, with a 15 percent increase in soybean meal more than after covering up the decreased consumption of rapeseed and cottonseed meal.

World soybean trade increased by 7 percent to 65.6 million tons, nearly all of which is due to higher imports by China to a record 27.0 million tons. Global vegetable oil consumption is projected to increase 5 percent for 2005/06 led by gains for China, India, and the EU-25. Global

oilseed crush is projected to increase 3 percent, and oilseed stocks are projected to increase 3.5 million tons to a record 58.2 million tons.

Changes for 2004/05 for the U.S. include increased soybean crush and exports and reduced ending stocks. Global soybean ending stocks are also reduced, reflecting the effect of reduced Brazil soybean production for 2003/04. The crop is reduced from 52.6 million tons to 50.5

million tons based on analysis of crush and trade statistics for the marketing year.

WEATHER WATCH:

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

Export of Oilmeal

COMMODITY WISE

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

Quantity in metric tonnes

Month	S.B. EXT	R.S. EXT	G.N. EXT	R.B. EXT	CST EXT	TOTAL
April 2005	99,250 (366,625)	90,900 (96,000)	12,950 (14,800)	---	17,800 (---)	220,900 (477,425)
May 2005	156,100 (278,300)	69,650 (100,875)	3,025 (44,750)	6,875 (---)	50,200 (---)	285,850 (423,925)
TOTAL	255,350 (644,925)	160,550 (196,875)	15,975 (59,550)	6,875 (---)	68,000 (---)	506,750 (901,350)
2004-05	1,861,325	588,805	121,475	43,056	70,750	2,685,411
2003-04	2,683,675	447,050	126,750	---	65,550	3,323,025
2002-03	1,333,318	455,533	15,225	---	92,445	1,896,521
2001-02	2,509,207	313,012	101,001	---	97,557	3,020,777
2000-01	2,182,142	62,968	18,609	---	10,992	2,336,638
1999-00 (F.Y)	2,249,505	79,874	1,808	---	93,365	2,428,470

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

PORTWISE

MONTH	BEDI	MUM- BAI	BHAV- NAGAR	KANDLA	VIZAG	KAKI- NADA	MAGD- ALLA	MUNDRA	TOTAL
April 2005	35,175 (61,525)	43,250 (102,175)	---	126,625 (235,500)	15,850 (24,125)	---	---	---	220,900 (477,425)
May 2005	10,500 (115,600)	48,325 (61,250)	---	188,975 (155,950)	30,425 (56,400)	6,875 (9,000)	750 (---)	---	285,850 (423,925)
TOTAL	45,675 (177,125)	91,575 (163,425)	---	315,600 (391,450)	46,275 (80,525)	6,875 (16,500)	750 (---)	---	506,750 (901,350)

Technical Analysis

June 15, 2005

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



Candlesticks: The candlestick pattern is showing bearishness in the market. The prices showed some range bound movement in the market. However, the resistance and support level will be at 8850 and 8740 levels respectively.

Moving Average: The 3 - day MA has cut the 5 -day MA from below but the 3 - day MA is showing a downward slanting movement.

MACD: The MACD (5-day) is showing a downward bent and is moving parallel to EMA. However, both are in the negative territory.

Stochastic: The %K-line after cutting the % D -line from below, moved ahead but today it showed a backward reversal in its movement.

All the indicators are pointing towards weakness in the prices. The market may open on a weak note and is expected to remain range bound with some weakness.

Recommendation: Prices is expected to open weak and if it goes below 8750 remain short.

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