

OILMEAL

3rd June 2005

MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal: Domestic Market Showing Mixed Sentiments**
- **CBOT: Soymeal Lowered Due to Rain Forecasts**

MARKET COMMENTARY & ANALYSIS

Soy meal

The cash market is showing a steady market. At NCDEX the June contract moved ahead showing an upward deviation in the early session but later on dropped down. But the trading maintained a positive tone. The soymeal futures at CBOT on Thursday slipped down due to rain forecasting. Soymeal future is expected to remain range bound but will show an upward movement in the early session and later on dip down.

Plant delivery quotes of Soy seeds remained in the range of Rs 1310 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 \$ 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	9100-9400
Satna/Morena	9100
Javra/ Mandsore	-
Nanded	8900
Nagpur (42-43%)	8600-9000
Latur	9100
Sangli	9400
Dhulia/Jalna	9100-9200
Kota	9500

Rape/ Mustard meal

The rapemeal cash market slowed down and showed a small downturn in the market. The arrivals were almost the same but the trading was slow compared to last day. The trading is likely to surge ahead in the week.

In Shivpuri/ Morena, rates remained at Rs 4200 per MT; Kota & Barah at Rs. 4150 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 carried on the momentum at the level from where it left off yesterday mainly 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: Soymeal Lowered Due to Rain Forecasts

Chicago Board of Trade soybean futures fell on Thursday due to forecasts of beneficial rains over dry areas of the eastern Midwest and speculative fund selling.

Fund selling was a feature due to which technical indicators weakened, helping to take corn, wheat and soy products prices lower. Forecasts for rainy weather and warmer

temperatures over the Midwest were the main reason for the selling.

July soymeal settled \$4.70 lower at \$210.90 a short ton and July soyoil ended 57 points lower at 22.93 cents a pound.

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

CBOT Soymeal Futures as on 2nd June, 2005

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	215.6	212.9	211.0	210.7	-4.7	210.9
Aug'05	215.9	213.0	214.2	211.0	-4.8	211.1

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:

Isolated rain / thundershowers likely over Maharashtra.
Isolated duststorm/thunderstorm likely over Rajasthan.
Mainly dry weather in the rest region.

NEWS ANALYSIS

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

Forex Rates

(As on 03.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.66
Malaysia	Ringgit	11.51
European Union	Euro	53.54
United Kingdom	GBP	79.33
Japan	100 Yen	40.41

Technical Analysis

June 3, 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 9145 and 8974 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 with a slight decrease in slope.

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

Recommendation: If the prices go above the resistance level at around 9057 mark, remain long.

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