

OILMEAL

10th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal: Domestic Market Better Off
- USDA Export Sales (May 27 - June 2, 2005)
- CBOT: Soymeal Futures on a Higher Note Due to Technical Buying

COMMENTARY & ANALYSIS

DOMESTIC MARKET

Soy meal

The cash market made some bullish trading during the day. At NCDEX the June contract also made some technical corrections and pushed back into the positive territory. However, the market is still going through a weak phase. The soymeal futures at CBOT on Thursday ended on a higher note due to technical buying and also due to concern about the spread of Asian Rust. Soymeal future is likely to remain range bound with some downward inclination.

Plant delivery quotes of Soy seeds remained in the range of Rs 1275 -1285 per qtl in Indore while soymeal in physical market has been offered at Rs 9000-9200 per MT, as per quality. FOR quotes remained at Rs 9750 per MT in Kandla in jute bags, FAS has been put at \$ 226- 228 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	9000-9200
Satna/Morena	9100
Javra/ Mandsore	-
Nanded	8700
Nagpur (42-43%)	8500-9000
Latur	8900
Sangli	9200 - 9300
Dhulia/Jalna	9000-8900
Kota	9350

Soy meal vessel report

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. The port is expecting

'Patwira' Naree' to load 19,800 MT of SBM to Japan. The vessel will be handled by Taurus agents.

NCDEX Soy meal Futures price (10th June)

	Prev Close Price	High Price	Low Price	Close Price	Change
June	8668.00	8740.00	8675.00	8680.00	+12.00
July	8983.00	9100.00	9000.00	9100.00	+117.00

Rape/ Mustard meal

The rapemeal cash market showed some improvement in some markets. The market arrivals still remained low and so was the demand from the market. The traders showed less interest in trading today.

In Shivpuri/ Morena, rates remained at Rs 4300 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 maintained a steady trading and also remained bullish during the day. The demand also remained at the same level as yesterday. The market remained firm due to strong sentiments shown by the traders.

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: Soybean Futures on a Higher Note Due to Technical Buying

Soybean futures on the Chicago Board of Trade ended on a higher note on Thursday, which was supported by technical buying and also due to concerns about the spread of Asian rust.

July soymeal settled \$1.80 higher at \$212.90 a short ton, and July soyoil ended 15 points higher at 23.13 cents a pound. Soymeal futures finished firm, supported by technical buying and also due to support from soybeans.

Soybean futures staged a solid recovery from initial losses and it benefited from speculative buying as the market came out of the selling pressure. Local and speculative buying were the main attractions, as traders started buying at lower opening, lifting the thinly traded market firmly into positive territory. The market is also waiting for Friday's supply and demand reports.

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

CBOT Soymeal Futures as on 9th June, 2005

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	211.1	210.0	213.5	209.4	1.8	212.9
Aug'05	211.4	209.2	214.0	209.2	2	213.4

CBOT remained closed on Saturday and Sunday

WCE: Canola Closed Lower, Moderate Trading

Grain and oilseed futures at the Winnipeg Commodity Exchange (WCE) finished mixed with canola prices down on the improving crop outlook.

Canola closed lower in moderate activity. Canola futures initially declined with Chicago Board of Trade soy complex futures. The favorable crop outlook, as stormy weather is moderating in western Canada, and steady country movement kept canola futures lower in the face of a strong rally in CBOT soybean and soyoil futures.

Short-term bearish technical signals and the absence of significant fresh export demand contributed to the weak tone. The weakness of the Canadian dollar and the rally in the CBOT soy complex underpinned the market and helped to pull canola off its lows.

Commercials dominated the trade with routine Japanese export pricing and small crusher buying noted. The selling was principally commercial and felt to reflect farmer's willingness to price as weather conditions improve.

China: Soymeal Futures Settled Lower in Slow Trading

Soybean futures traded on the Dalian Commodity Exchange settled mostly lower in slow trading Thursday, tracking an overnight fall in Chicago Board of Trade soybean futures. The benchmark September 2005 soybean contract lost CNY10 a metric ton to settle at CNY3,080/ton, after trading between CNY3,064/ton and CNY3,089/ton.

NEWS ANALYSIS

USDA Export Sales (May 27 - June 2, 2005)

Soybean Cake and Meal: Net sales of 84,800 MT were 55 percent above the previous week and 36 percent over the prior 4-week average. The primary buyers were Australia (44,000 MT, including 40,000 MT switched from unknown destinations), Japan (35,500 MT), Mexico (16,500 MT), and Panama (10,400 MT, including 5,800 MT switched from Guatemala). Reductions were reported for unknown destinations (40,000 MT). Exports of 176,400 MT were 76 percent above the previous week and 82 percent over the prior 4-week average. The primary destinations were Australia (44,000 MT), the Dominican Republic (35,100 MT), Mexico (19,000 MT), the Philippines (17,600 MT),

Canada (14,500 MT), Panama (13,100 MT), and Guatemala (11,700 MT).

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.

WEATHER WATCH:

Isolated rain/thunderstorm likely over south Maharashtra and Goa. Mainly dry weather in the rest region.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	53.21

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 10, 2005

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



Candlesticks: The candlestick pattern is showing bearishness but the prices did show an improvement. However, the resistance and support level will be at 8740 and 8680 levels respectively.

Moving Average: The 3 -day MA has cut the 5 -day MA from above and is moving downward.

MACD: The MACD (5-day) is showing a downward trend and after cutting the EMA from above. However, both are in the negative territory.

Stochastic: The %K-line has cut the % D -line from above and is moving downward. The per cent K line have crossed the over sold condition.

All the indicators are pointing towards weakness in the prices. The market may open on a firm note but is expected to decline. However, some recovery is expected shortly.

Recommendation: if the market opens on a strong note it is better to remain long in the morning session but later on it may show a dip in prices. Intra day short-term trade is a good option.

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.