

OILMEAL

16th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Future Market Ended on a Weak Note
- CBOT Soymeal Higher Amid Production Concerns
- USDA's Export Sales Highlights (July 1-7, 2005)

TECHNICAL ANALYSIS

July 16, 2005

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

Candlesticks: The candlestick pattern is showing range bound movement. The market did show trading during the day. The market is expected to open on the higher side. Moreover, the resistance and support level will be at 9300 and 9225 levels respectively.

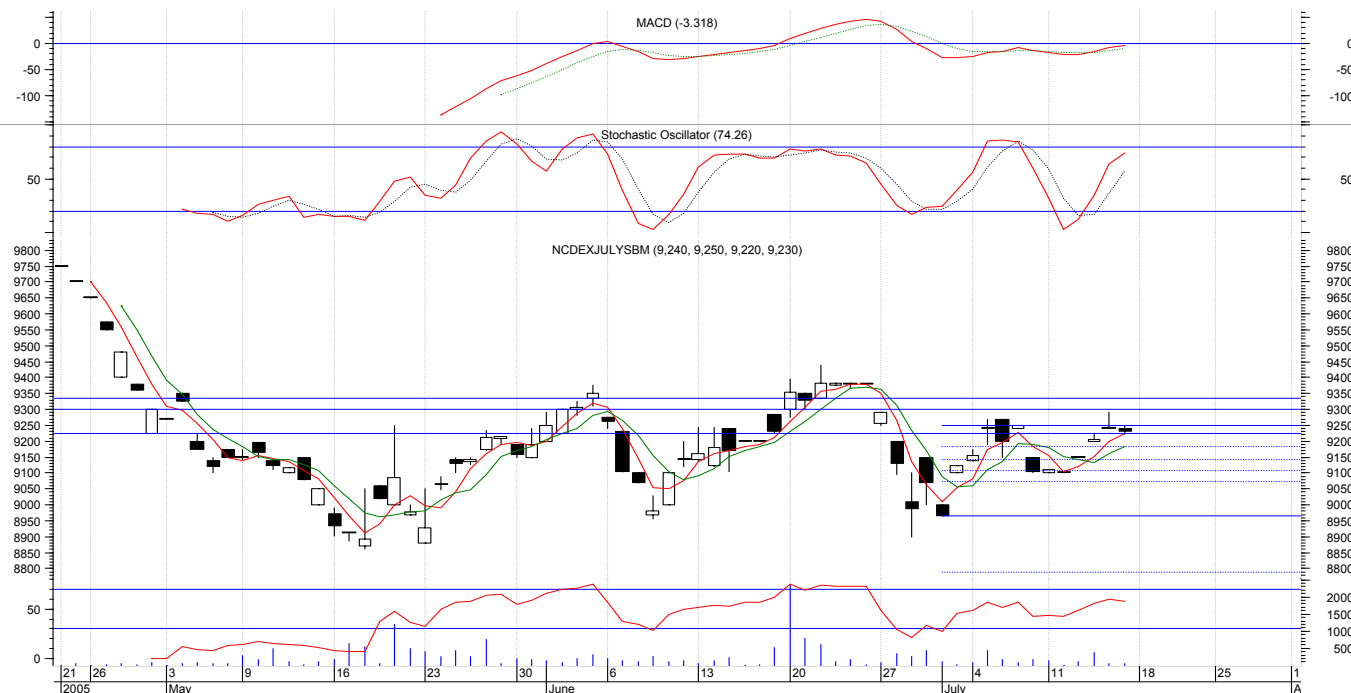
Moving Average: The 3 - day MA has cut the 5 -day MA from below and the 3 - day MA is showing an upward movement.

MACD: The MACD (5-day) has cut the EMA from below and MACD is moving ahead. However, both are in the negative territory but the MACD has shown a correction.

Stochastic: The percent K - line have cut the percent D line from below and both have crossed the over sold condition and moved ahead into the neutral zone. It is showing a steady development.

All the indicators are pointing towards a positive movement of the prices. The market is going to show firmness in the market but there is no strong support from the market.

Recommendation: The prices will open on the higher side and trading is going on. If market follows the trend and opens at 9240 remain long.



COMMENTARY

DOMESTIC MARKET

Soy meal

The cash market made further improvement in the domestic sector. The market opened on a weak note on Monday but then after moved ahead. Moreover, at NCDEX the July contract showed some firmness in the market during the early opening but later dropped down. The trading is showing some sort of steadiness. The soymeal futures are expected to remain range bound with some firmness. The CBOT contract ended on a higher note on Friday due to production concerns.

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 9300 - 9500 per MT, as per quality. FOR quotes remained at Rs 10000 - 10100 per MT in Kandla in jute bags, FAS has been put at \$ 232 - 235per MT.

India's soymeal exports totaled **115,750** tons in June 2005 compared with 94,500 tons in June 2004.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
Indore	9300 - 9500
Satna/Morena	9300
Javra/ Mandsore	-
Nanded	9100
Nagpur (42-43%)	9000
Latur	9100
Sangli	9600
Dhulia/Jalna	9300/9400
Kota	9400

Soy meal vessel report

'Ise' has berthed at Kandla Port and continues to load 13,500 MT of SBM to Japan. JM Baxi agents is handling the vessel.

Loading of 2,200 MT of SBM is continuing at Mumbai Port on the vessel 'Merco Yala'. Sai Shipping agents is handling the vessel.

Jamnagar Port is loading 8,000 MT of SBM to Bangkok on the vessel 'Thor Sky'. JM Baxi agents is handling the vessel.

NCDEX Soy meal Futures price (16th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9240.00	9250.00	9220.00	9230.00	-10.00
Aug	9407.00	9470.00	9359.00	9395.00	-12.00

Rape/ Mustard meal

The rape meal cash market maintained a steady market momentum for most of the day. The market demand remained firm and so were the arrivals. The market sentiments are expected to remain firm for the time being at major markets.

In Shivpuri/ Morena, rates remained at Rs 4500 per MT; Kota & Barah at Rs. 4550 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 **53,975** tons of rapemeal in June 2005 as compared to 45,575 in June 2004.

Groundnut meal

The groundnut meal domestic market maintained the consistency during the last few days. The market demand is at a low level and so are the arrivals. The sowing has been hampered in some parts of Gujarat and late sowing variety is also being re-sown in some places.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6500 for 40% protein and at Dhulia market it was quoted at Rs. 8000 for 42 per cent protein while at the Nanded market it was quoted at 8100 for 45 % 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 **8,900 MT** groundnutmeal in June 2005 as compared to 30,475 MT in June 2004.

INTERNATIONAL MARKET

CBOT Soymeal Higher Amid Production Concerns

Soybean futures at the Chicago Board of Trade ended mostly higher on Friday but it showed a fall during the late hours before the weekend. The market was supported throughout the day due to crop production concerns related to hot, dry weekend weather outlooks for the Midwest. The futures market was also supported by strong concerns about disease and insect issues amid strong demand outlooks continued to support futures. Soymeal futures ended higher and were able to sustain the gains for most of the day.

August soymeal settled \$3.40 higher at \$226.70 a short ton, and August soyoil ended 2 points lower at 25.48 cents a pound. For the week, August soybeans were up 43 cents, November soybeans gained 43 1/2 cents, August soymeal was \$15.70 higher, and August soyoil was up 85 points.

In soymeal, Man Financial bought 1,000 December, Rand Financial bought 400 December and Fimat bought 200 August. Cargill sold 500 August, Citigroup sold 200 August, and Goldenberg Hehmyer and Refco each sold 200 December. Commodity funds were estimated buyers of 2,000 contracts.

There will be some chances for thundershowers Sunday into Monday, but it will be hot until then and will likely get hot again after that period. A similar pattern is on tap for moisture- starved areas of central and northwest Illinois with no significant rains forecasts for the next 10 days.

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

CBOT Soymeal Futures as on 15th July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	223.3	227.0	232.8	223.4	3.4	226.7
Aug'05	223.7	224.0	229.5	220.8	2.8	226.5

CBOT remained closed on Saturday and Sunday

NEWS ANALYSIS

USDA's Export Sales Highlights (July 1-7, 2005)

Soybean Cake and Meal: Net sales of 79,500 MT were more than double the previous week, but 16 percent under the prior 4-week average. The primary buyers were Mexico (57,100 MT), Canada (17,400 MT), Panama (4,200 MT), and Honduras (3,000 MT). Reductions were reported for Guatemala (4,000 MT). Exports of 97,100 MT were 29 percent below the previous week and 12 percent under the prior 4-week average. The primary destinations were Mexico (49,500 MT), Canada (19,700 MT), Egypt (8,300 MT), and Japan (7,800 MT).

WEATHER WATCH:

Forecast for next 24 hours

Export of Oilmeal

COMMODITY WISE

India's oil meal exports of April - June '05 (compared to comparative period of previous year 2004-05)

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)
June 2005	115,750 (94,500)	53,975 (45,575)	8,900 (30,475)	12,675 (5,800)	20,225 (6,200)	211,525 (182,550)
TOTAL	371,100 (739,425)	214,525 (242,450)	24,875 (90,025)	19,550 (5,800)	88,225 (6,200)	718,275 (1,083,900)
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

North: Rain/thundershowers likely at many places over Jammu & Kashmir, Uttaranchal, east Uttar Pradesh and Himachal Pradesh and at few places in the rest region.

East: Rain/thundershowers likely at most places over northeastern states, Bihar and West Bengal & Sikkim and at many places in the rest of the region.

South: Rain/thundershowers likely at a many places in the region.

West: Rain/thundershowers likely at many places over east Rajasthan and west Madhya Pradesh at a few places in the rest region outside west Rajasthan where it may bet isolated.

Outlook for subsequent two days

Ongoing rainfall activity over northeastern states, West Bengal & Sikkim, Bihar, east Uttar Pradesh and peninsular India is likely to continue.

Current rainfall activity over plains of northwest India and western Himalayan region likely to decrease.

Warning

Heavy to very heavy rainfall likely at a few places over West Bengal & Sikkim. Isolated heavy rainfall also likely over northeastern states, Uttaranchal, Himachal Pradesh, Bihar, Jharkhand, Orissa, west Madhya Pradesh, east Rajasthan, Kerala, Lakshadweep and coastal Karnataka.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.52
European Union	Euro	52.78

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)	--- (34,700)	126,625 (235,500)	15,850 (24,125)	--- (7,500)	--- (---)	--- (11,900)	220,900 (477,425)
May 2005	10,500 (115,600)	48,325 (61,250)	--- (12,225)	188,975 (155,950)	30,425 (56,400)	6,875 (9,000)	750 (---)	--- (13,500)	285,850 (423,925)
June 2005	8,600 (39,300)	45,625 (70,925)	--- (---)	120,650 (59,475)	29,900 (---)	6,750 (12,850)	--- (---)	--- (---)	211,525 (182,550)
TOTAL	45,675 (177,125)	91,575 (163,425)	--- (46,925)	315,600 (391,450)	46,275 (80,525)	6,875 (16,500)	750 (---)	--- (25,400)	506,750 (901,350)

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