

## OILMEAL

26<sup>th</sup> July 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Domestic Soymeal Prices Remain Weak Today
- CBOT Soymeal Traded Lower on Speculative Selling
- USDA's Export Sales Highlights (July 8-15, 2005)

### TECHNICAL ANALYSIS

July 25, 2005

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

**Candlesticks:** The candlestick pattern is indicating the weaker opening and range bound downward trade tomorrow. The resistance and support level will be at 9179 and 9101 levels respectively.

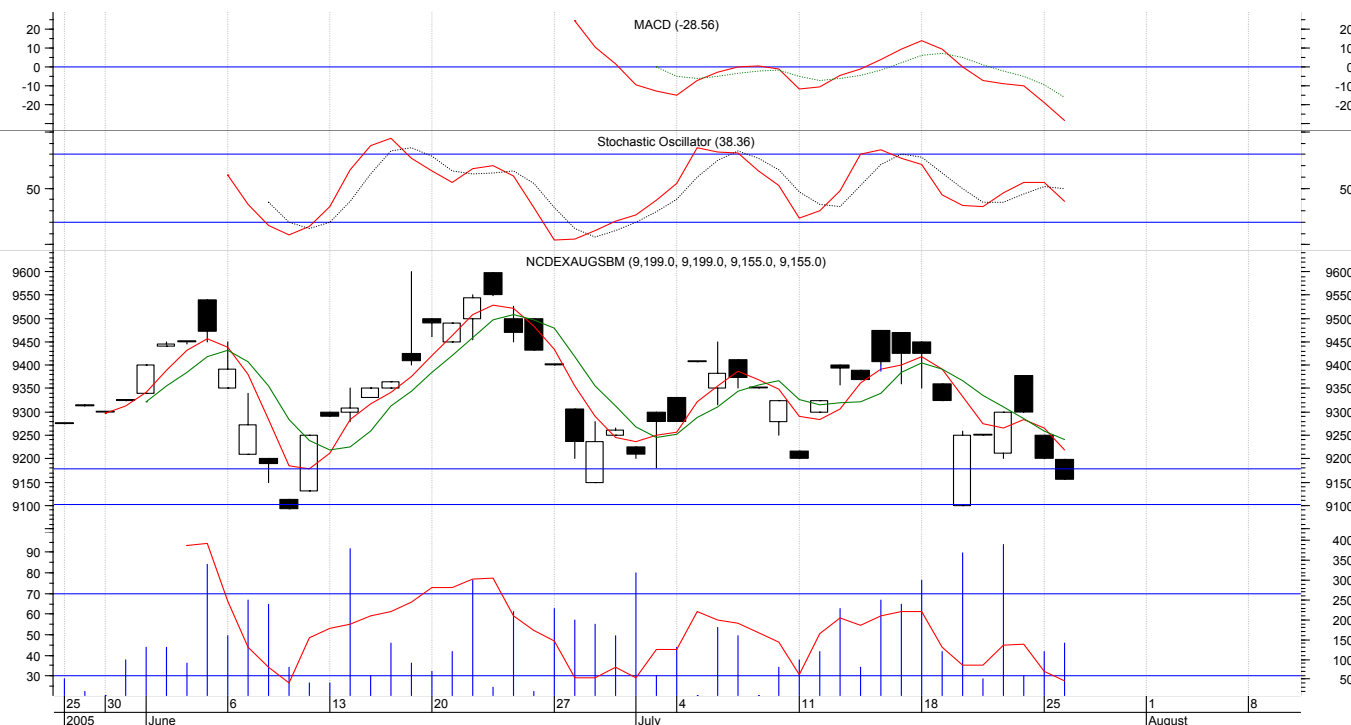
**Moving Average:** The 3 - day MA have cut the 5 - day MA from above now moving downward, expecting weaker trade for next day also.

**MACD:** The MACD (5-day) after cutting the EMA from above moving downwards into the negative territory.

**Stochastic:** The percent K - line after cutting the percent D line is moving downward in the neutral region. Percent D line has also started moving downward.

The technical indicators are suggesting that the market sentiment are bearish. It is expected that the soymeal future will remain weaker tomorrow also.

**Recommendation:** The prices are expected to open weaker and will trade range bound and trade range bound downward. Short selling seems to be profitable.



## COMMENTARY

### DOMESTIC MARKET

#### Soy meal

The prices of soymeal declined again after improving slightly yesterday. Market activities remained subdued. Today the spot demand remained at the lower levels putting pressure on the prices. The change of the delivery centres in the back month contracts from Indore to Kandla remained the major reason behind the low trading activities in the spot markets. At the NCDEX also today the soymeal futures declined on selling pressure. For the time the prices of soymeal are likely to remain weak.

Plant delivery quotes of Soy seeds remained in the range of Rs 1320-25 per qtl in Indore while soymeal in physical market has been offered at Rs 9000 - 9500 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 **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	9000-9500
Satna/Morena	9200
Javra/ Mandsore	-
Nanded	8900-9100
Nagpur (42-43%)	9000-9100
Latur	9100
Sangli	9400
Dhulia/Jalna	9100/9300
Kota	9200

#### Soy meal vessel report (26.07.05)

Loading of 2,300 MT of SBM is continuing at Mumbai Port on the vessel 'Indruwa Valley'. Sai Freight agents is handling the vessel.

#### NCDEX Soy meal Futures price (26<sup>th</sup> July)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	9200.00	9199.00	9155.00	9155.00	-45.00
Sep	9370.00	0.00	0.00	9370.00	0.00

#### Rape/ Mustard meal

No significant change was seen in the prices of mustard cake today. The tone of the market remained easy. In the major markets the prices declined slightly following the

weakness in the soymeal prices. In the coming days the prices may remain within the range and a recovery may start.

In Shivpuri/ Morena, rates remained at Rs 4500 per MT; Kota & Barah at Rs. 4400 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 prices of groundnut meal today remained within the same range that is continuing for last several days. However, the market tone today remained easy. Though the production scenario of groundnut is likely to support the prices, the lack of significant demand kept the prices range-bound.

Groundnut sowing is still down by 23 per cent in the groundnut-sowing belt of Gujarat. The main reason was due to late and heavy rainfalls, which have affected the sowing progress. Thus the pressure on the production is likely to remain.

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

### INTERNATIONAL MARKET

#### CBOT Soymeal Traded Lower on Speculative Selling

Soy complex futures at the Chicago Board of Trade (CBOT) settled mixed on Monday in a choppy, two-sided session as the participants continued to position themselves on weather concern. The Soymeal future followed the mixed trend and settle lower on early speculative selling on Monday. The most active August soymeal future at the CBOT finished down \$0.40 lower at \$212.20 per short ton, while the August soyoil future settled 8 points higher at 24.59 cents per pound. Moderate soyoil-soymeal spreading helped the soyoil to move up amidst a decline in the soymeal. The uncertain weather condition as the soybean crops headed towards critical pod filling stage pressurised the traders not to aggressively push the prices in either direction. Forecasts for beneficial rains and cooler temperatures in parts of Midwest put some pressure on the prices. However, private forecasts for return of hot and dry condition by next week supported the prices to move back and forth.

## CBOT Soymeal Futures as on 25<sup>th</sup> July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	212.6	210.8	213.4	209.8	-0.4	212.2
Oct'05	209.7	208.0	210.8	207.0	+0.3	210.0

CBOT remained closed on Saturday and Sunday

## NEWS ANALYSIS

### USDA's Export Sales Highlights (July 8-15, 2005)

**Soybean Cake and Meal:** Net sales of 44,300 MT were 44 percent below the previous week and 56 percent under the prior 4-week average. The primary buyers were Canada (9,600 MT), El Salvador (9,000 MT), Australia (6,500 MT), and Mexico (6,000 MT). Reductions were reported for Guatemala (8,200 MT). Exports of 107,800 MT were 11 percent above the previous week, but 8 percent under the prior 4-week average. The primary destinations were Japan (29,000 MT), Mexico (27,200 MT), Canada (18,700 MT), and El Salvador (10,200 MT).

## WEATHER WATCH: (26.07.05)

### Forecast valid for next 72 hours

**North:** Rain/thundershowers likely at many places over Uttaranchal; at a few places in Himachal Pradesh, Haryana and Uttar Pradesh and at isolated places in the rest region.

**East:** Rain/thundershowers likely at most places over Orissa; at many places over Jharkhand, Chhattisgarh and East Madhya Pradesh and at a few places in the rest region.

## 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 - Castorseed Extns, R.B.- Ricebran Extns  
Source: SEA Data Bank

**South:** Rain/thundershowers likely at most places over Coastal Karnataka; at many places over Andhra Pradesh, interior Karnataka and Lakshadweep and at a few places over Kerala and Andaman & Nicobar Islands. It may be isolated over Tamil Nadu & Pondicherry.

**West:** Rain/thundershowers likely at most places over Konkan & Goa and Madhya Maharashtra; at many places over Marathawada and Vidarbha and at a few places in West Madhya Pradesh. It may be isolated over the rest region.

### Outlook for subsequent two days

Increase in rainfall activity over west central India. Ongoing rainfall activity over east central India, Maharashtra & Goa and Andhra Pradesh is likely to continue. Ongoing rainfall activity along West coast is also likely to continue.

### Warning

Heavy to very heavy rainfall likely at a few places over Orissa, south Chhattisgarh, Konkan & Goa, Madhya Maharashtra and Telangana. Isolated heavy rainfall also likely over Uttaranchal, north Coastal Andhra Pradesh, north Chhattisgarh, Marathawada, Vidarbha and Karnataka.

## Forex Rates (26.07.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.52
European Union	Euro	52.42

## PORTWISE

MONTH	BEDI	MUMBAI	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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