

OILMEAL

25th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Futures Market Ended Weaker
- Spot Markets Traded Range Bound
- 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 showing that the market opened at the higher side of the day's range but closed at the day's low. The market is expected to fill the gap above today's candlestick. The resistance and support level will be at 9300 and 9250 levels respectively.

Moving Average: The 3 - day MA have cut the 5 - day MA from above and the curvature of 3 - day MA is showing some slight recovery.

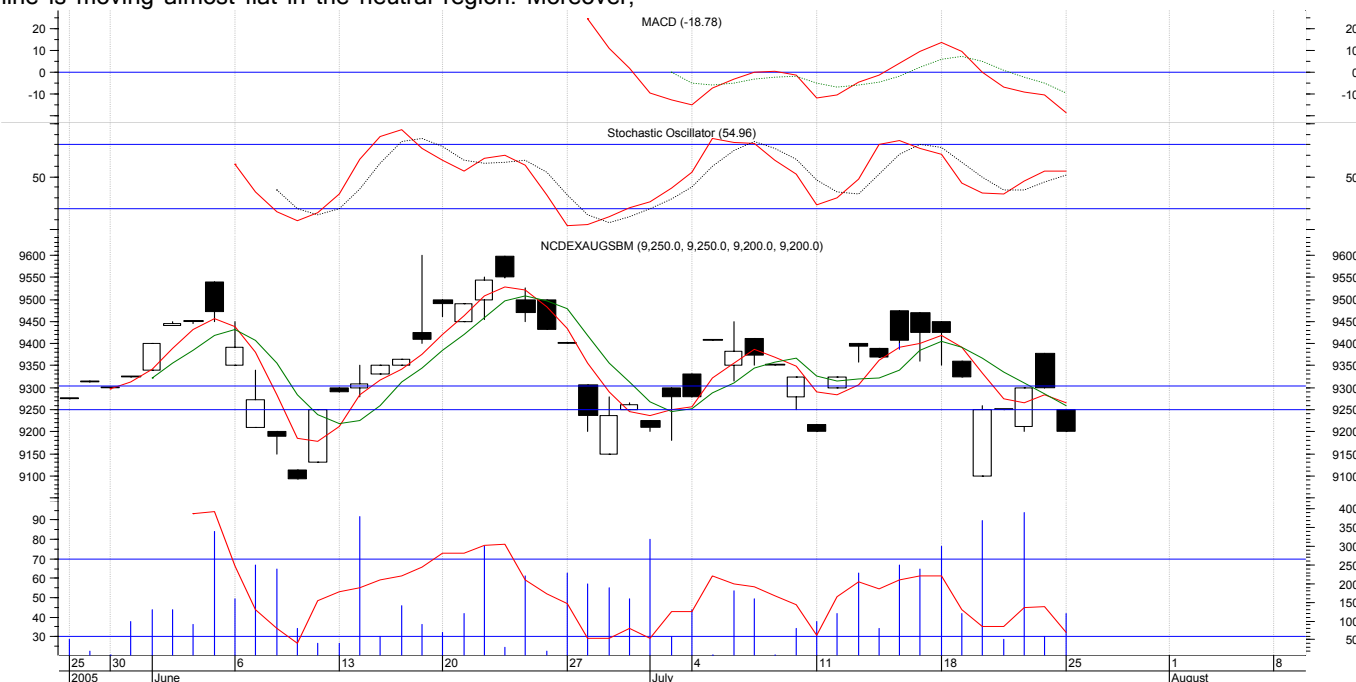
MACD: The MACD (5-day) after cutting the EMA from above moving downwards into the negative territory.

Stochastic: The percent K - line after cutting the percent D line is moving almost flat in the neutral region. Moreover,

the percent D line is also in the neutral region and it is moving upwards.

The technical indicators are suggesting that the market sentiment will provide for a gap filling in the chart. It is expected that the soymeal future will remain marginally strong in the next day.

Recommendation: The prices are expected to open higher and will trade range bound and some recovery in the upward direction is expected. Short buying seems to be profitable.



COMMENTARY

DOMESTIC MARKET

Soy meal

The soymeal market again witnessed downward movement and loses the gains it achieved during last weekend. The domestic cash market did show some moderate gains in the morning session of trade but slipped further to a lower level thereafter. At the futures markets, the soymeal future witnessed no trading activity during morning session of trade. However, it witnessed some trading activity towards closing of the day. The August soymeal future opened lower than Saturday's close and traded with a strong bearish sentiments thereafter. The August future slid to day's low at 9200 near to the close.

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 9200 - 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	9000-9400
Satna/Morena	9200
Javra/ Mandsore	-
Nanded	8900-9100
Nagpur (42-43%)	9000-9200
Latur	9100
Sangli	9200
Dhulia/Jalna	9100/9300
Kota	9200

Soy meal vessel report (25.07.05)

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 (23rd July)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	9299.00	9379.00	9300.00	9300.00	+1.00
Sep	9350.00	0.00	0.00	9350.00	0.00

Rape/ Mustard meal

The market remained firm today also amid strong buyers support in the market. The market is in a tight situation due to poor arrivals of other oilseeds. The chance of a significant decline is still weak.

The unsteady progress of sowing of other oilseed crops and continuing dry spell in major growing areas is providing an underlying support to the prices.

In Shivpuri/ Morena, rates remained at Rs 4600 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

Continuing the last few day's sentiments the prices remained range bound in most of the domestic markets. The market is not getting sufficient demand from the Oilmeal market.

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. This might put pressure on the production. The price trend is expected to remain so.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6500 for 40% protein and at Dhulia market it was quoted at Rs. 8100 -8200 for 42 per cent protein while at the Nanded market the arrival.

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

The Chicago Board of Trade (CBOT) remained closed on Saturday and Sunday.

CBOT Soymeal Futures as on 22nd July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	212.6	214.5	215.5	211.8	0	212.6
Oct'05	211.7	214.5	214.5	-	-0.5	211.2

CBOT remained closed on Saturday and Sunday

China: Soymeal Prices Ended Weaker; Revaluation of RMB; Bird Flu Spreading

The Chinese soymeal market showed steadiness but ended the week on a weak note in most of the markets. The procurement prices for local produced soybean and the distribution of prices for imported soybean at major ports remained stable. The rapeseed and the rape meal markets also followed similar trend and ended the week on a firm note. The typhoon Haitang is moving towards the mainland and is yet to affect the crop fields.

The Chinese government have declared zero tariffs on all Hongkong produced imports. The Producer's Price Index increased by 5.6% in China in June. The Consumer Price Index increased by 2.3% in the first half in China and the urban residents income also rose by 9.5 %. The Chinese GDP grew by 9.5 % in the first half and the figures show that economic measures have paid off. The government is expecting that the trade surplus is likely to continue. There has been a Public announcement of the People's Bank of China on reforming the RMB exchange rate regime. China have adjusted the Yuan rate and abolishes dollar pegs and is untroubled by in or deflation. The Yuan's floating range has been limited to 0.3%.

Indonesia confirmed the first human death linked to bird flu and Indonesia took steps to slaughter all chickens, pigs in bird flu affected areas and this might affect the poultry industry and which inturn might pressurize the soymeal prices. Russia also confirmed 1st case of Birdflu. Birdflu in frozen duck meat shipped from China to Japan, WHO says the virus is wide spreading.

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: (25.07.05)

Forecast valid for next 72 hours

North: Rain/thundershowers likely at few places in Uttaranchal, Himachal Pradesh and Uttar Pradesh and at isolated places in the rest region.

East: Rain/thundershowers likely at most places over South Orissa, at many places over Jharkhand, Chhattisgarh, rest Orissa and at a few places in the rest region. Increase in rainfall over East Madhya Pradesh after 26th.

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

West: Rain/thundershowers likely at most places over Konkan and Goa at many places over Madhya Maharashtra and at a few places in Marathwada and Vidarbha and isolated in the rest region.

Outlook for subsequent two days

Increase in rainfall activity over west central India. Ongoing rainfall activity over east central India, Orissa and Andhra Pradesh is likely to continue. Ongoing rainfall activity along West coast is likely to continue. Subdued rainfall activity over Northeastern States of India and Sub- Himalayan West Bengal & Sikkim.

Warning

Heavy to very heavy rainfall likely at a few over south Orissa, North Coastal Andhra Pradesh, Konkan & Goa and Coastal Karnataka. Isolated heavy rainfall also likely over rest Orissa, Chhattisgarh, Madhya Maharashtra and south coastal Andhra Pradesh, Telangana.

Forex Rates (25.07.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.50
European Union	Euro	52.43

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

PORTWISE

MONTH	BEDI	MUMBAI	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)
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)	---	315,600 (391,450)	46,275 (80,525)	6,875 (16,500)	750 (---)	---	506,750 (901,350)

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