

OILMEAL

9th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Future Market Remained Bearish
- CBOT Soymeal Lower on Weather Uncertainty
- USDA Export Sales Highlights, June 24 - 30, 2005

TECHNICAL ANALYSIS

July 09, 2005

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

Candlesticks: The candlestick pattern is showing weakness. The market is going through a lean phase. The market is expected to open weak. Moreover, the resistance and support level will be at 9140 and 9050 levels respectively.

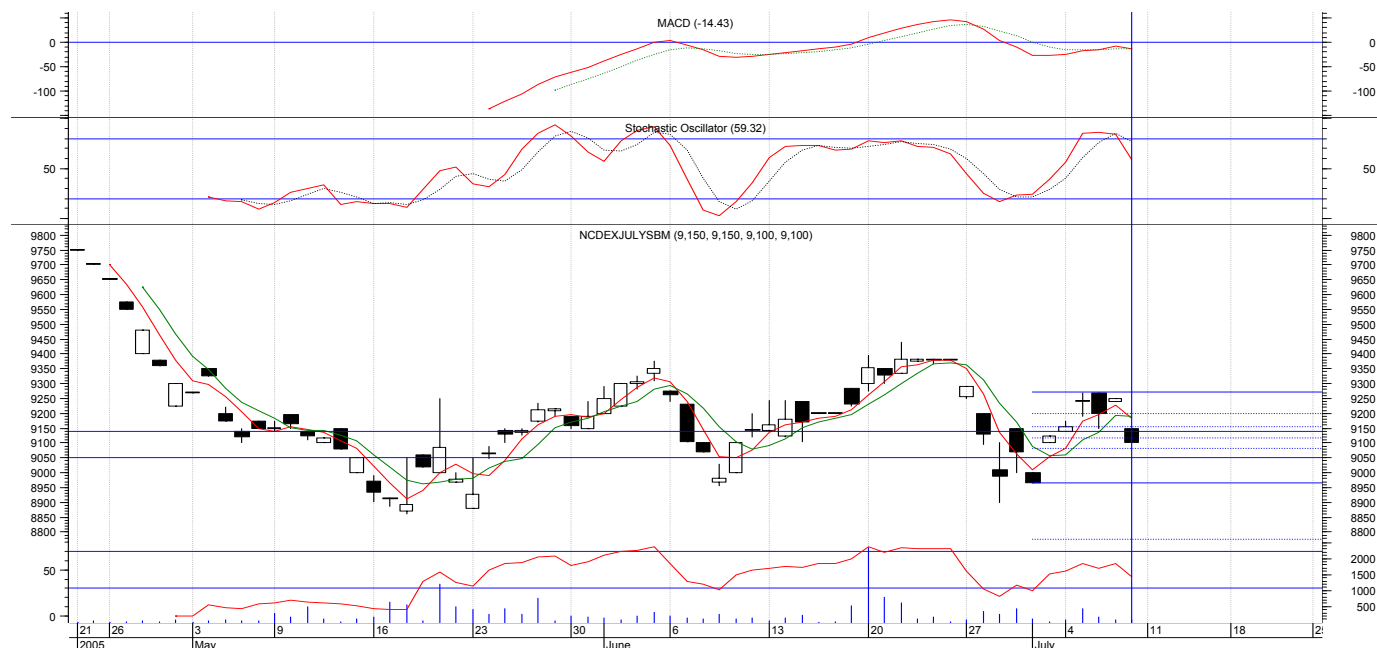
Moving Average: The 3 - day MA has cut the 5 -day MA from above and both are moving down.

MACD: The MACD (5-day) has just crossed the EMA from above. Moreover, both are moving down into the negative territory.

Stochastic: The percent K - line have just cut the percent D line from above. Both are into the neutral zone and showing further weakness.

All the indicators are showing some weakness in the market and the market is expected to slid down further in the first half of the week. The floods are affecting the trade.

Recommendation: The prices will remain weak and further slid down but later on in the week ahead some reversals are expected.



COMMENTARY

DOMESTIC MARKET

Soy meal

The cash market showed the bearishness as selling was on the rise but the ended the week on a better note compared to last week. The rains are affecting the arrivals. Moreover, at NCDEX the July contract showed a negative movement and the futures is being affected by the floods and slow sowing progress. The CBOT contract ended on a lower note on Friday due to uncertainty about the Hurricane Dennis. The soymeal futures are expected to remain range bound with some weakness in the first of the coming week. The floods in M.P. are affecting the trading and the arrivals too.

Plant delivery quotes of Soy seeds remained in the range of Rs 1300 per qtl in Indore while soymeal in physical market has been offered at Rs 9300 per MT, as per quality. FOR quotes remained at Rs 9800 - 10000 per MT in Kandla in jute bags, FAS has been put at \$ 230 - 233 per MT.

India's soymeal exports totaled **156,100** tons in May 2005 compared with 278,300 tons in May 2004.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
Indore	9300
Satna/Morena	-
Javra/ Mandsore	-
Nanded	9100
Nagpur (42-43%)	9200
Latur	9100
Sangli	9500
Dhulia/Jalna	9300-9200
Kota	9100-9200

Soy meal vessel report

Loading of 6,800 MT of SBM is continuing at Kandla Port on the vessel 'Stella M' to Egypt. Universal agent is handling the vessel. Kandla Port is loading 15,000 MT of SBM on the vessel 'Devon' to Japan. Taurus agents are handling the vessel. 'Thor Skipper' has berthed at the port and continues to load 12,700 MT of SBM to Indonesia. Interocean agents are handling the vessel.

Loading of 2,200 MT of SBM is continuing at Mumbai Port on the vessel 'Mercs Yala'. Sai Shipping agents is handling the vessel. 'Indruwa Valley' has berthed at Mumbai Port and continues to load 2,300 MT of SBM. Sai Freight agents are handling the vessel.

Jamnagar Port is expecting 'Thor Sky' to load 8,000 MT of SBM to Bangkok. JM Baxi agents will be handling the vessel.

NCDEX Soy meal Futures price (9th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9250.00	9150.00	9100.00	9101.00	-149.00
Aug	9350.00	9280.00	9250.00	9250.00	-100.00

Rape/ Mustard meal

The rapemeal cash market further slowed down today, as there was lack of interest from the traders' front. The demand was at a normal level. The arrivals are being affected by the monsoon. The farmers are facing storage problem and this may put pressure on the market.

In Shivpuri/ Morena, rates remained at Rs 4300 per MT; Kota & Barah at Rs. 4350 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 **69,650** tons of rapemeal in May 2005 as compared to 100, 875 in May 2004.

Groundnut meal

The groundnut meal domestic market was showing some consistency during the day. The market demand is at a low level and so are the arrivals. The sowing is being hampered in Gujarat due to floods and the market is under pressure.

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 **3,025 MT** groundnutmeal in May 2005 as compared to 44,750 MT in May 2004.

INTERNATIONAL MARKET

CBOT Soymeal Lower on Weather Uncertainty

Soymeal Futures ended on the lower side amid nervous selling due to expectation that the Hurricane Dennis might bring in beneficial rains to the driest areas of the central Midwest next week. The weather pressurized the futures on Friday to close on the lower side. Soy-product futures finished lower following the declines in soybeans. Soymeal, despite ending lower, emerged as the strongest link in the complex.

August soymeal settled \$3.30 lower at \$211.00 a short ton, and August soyoil ended 56 points lower at 24.63 cent a

pound. For the week, July soybeans were up 2 cents, November soybeans gained 2 cents, August soybean was \$0.50 higher, and August soybean was 40 points higher.

Speculative-led selling brought about the session's losses, as traders took a careful approach to the beneficial rain in the Midwest. The absence of significant buying kept the market on the lower side throughout the day.

However, futures found a level of support from private forecasters, which predicted that there, will be shifting in the direction of the storm i.e. towards eastward, a path that would keep showers out of the Midwest.

In soybean trades, Bunge Chicago bought 400 July, and Cargill Investor Services bought 500 December. Cargill Investor Services sold 200 December and 800 September, Fimat sold 300 December, Man Financial sold 300 August and Calyon Financial sold 300 September.

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

CBOT Soybean Futures as on 8th July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	214.6	212.0	212.0	208.4	-3.3	211.3
Aug'05	214.3	211.5	211.5	208.0	-3.3	211.0

CBOT remained closed on Saturday and Sunday

China: Soybean Prices Declined

The Chinese soybean market declined by RBM 20/MT at Zhejiang, Henan, Guangdong and Shenyang and remained stable at other markets. The procurement prices for local produced soybean and the distribution prices for imported soybean at major ports remained stable and the procurement amount was around 63990 MT. The rapeseed market maintained the firmness except a rise of RBM 50/MT at Anhui, Shenyang and Jiangxi. The new rapeseed crop showed a steady rise of RBM 60/MT in Guizhou whereas in other markets the prices remained stable. Experts have advised to change farming practice to control birdflu. The heatwave is sweeping the country and the power demand is on the high.

NEWS ANALYSIS

USDA Export Sales Highlights, June 24 - 30, 2005

Soybean Cake and Meal: Net sales of 39,000 MT were 78 percent below the previous week and 63 percent under the prior 4-week average. Major increases for Mexico (38,400 MT), Guatemala (22,600 MT), including 20,000 MT switched from unknown destinations), Turkey (10,000 MT), Syria (8,300 MT, including new sales of 1,300 MT and changes in destination from Egypt 7,000 MT), and Canada (7,300 MT) were partially offset by decreases for Japan (21,800 MT), unknown destinations (20,000 MT), and the Dominican Republic (20,000 MT, to correct errors in reporting the previous week). Net sales of 15,700 MT for delivery in 2005/2006 resulted as increases for Canada (26,600 MT) were partially offset by decreases for Australia (5,500 MT) and New Zealand (5,500 MT). Exports of 137,100 MT were 30 percent below the previous week, but 14 percent above

the prior 4-week average. The primary destinations were Mexico (31,300 MT), the Philippines (28,500 MT), Guatemala (22,600 MT), Canada (21,300 MT), Syria (8,300 MT), and Panama (8,100 MT).

SEA: Export of Oilmeal (April-June 2005) - down by 34%

The Solvent Extractors' Association of India has just compiled the data for export of oilmeal for the month of June 2005. The export of oilmeals during June 2005 is reported at 211,525 tons compared to 182,550 tons in June last year i.e. up by 16 %. The overall export of oilmeal for the month of April to June 2005 is reported at 718,275 tons compared to 1,083,900 tons during the same period of last year i.e. down by 34%.

During first quarter soybean meal export shown decline trend and reduced to nearly half, while rapeseed meal has more or less maintained the share. The groundnut meal exports has greatly declined while castorseed meal exports has picked up and is mainly exported to Taiwan and S. Korea. Ricebran extraction export has also revived after long time.

South East Asia is the major market for Indian oilmeals. To check the overall declining trend and promote oilmeals export from India; SEA is deputing a 15 members strong delegation to Taiwan, S. Korea, Vietnam and Thailand during middle of August 2005 to meet the leading feed millers & importers of oilmeals.

Port-wise Export:

The export from Kandla is reported at 436,250 tons (62%), followed by Mumbai, which handled 137,200 tons (19%), Bedi handled 54,275 tons (8%), Vizag handled 76,175 tons (11%) and Kakinada handled 13,625 tons (2%).

WEATHER WATCH:

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

East: Rain/thundershowers likely at many places over northeastern states, Sub-Himalayan West Bengal & Sikkim, Orissa and Chhattisgarh at a few places in the rest region. Increase in rainfall activity over Bihar and northeastern states on 11th and 12th July.

South: Rain/thundershowers likely at many places over coastal & north interior Karnataka, coastal Andhra Pradesh, Telangana and Kerala and at a few places in the rest region outside Tamil Nadu & Pondicherry where it may be isolated.

West: Rain/thundershowers likely at many places over Konkan & Goa and Vidarbha and at a few places over the region outside Gujarat state and Rajasthan where it may be isolated.

Outlook for subsequent two days based on NCMRWF and other numerical weather products: Increase in rainfall activity over Uttar Pradesh, Bihar, northeastern states and along the west coast. Rainfall activity over plains of northwest India likely remain subdued.

Warning

Isolated heavy rainfall likely over northeastern states, north coastal Andhra Pradesh Telangana, coastal Karnataka and Kerala.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.63
European Union	Euro	52.02

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

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)
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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