

OILMEAL

30th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Soymeal Market Remained Bearish
- CBOT Soymeal: Lower On Spec Selling, Weather

COMMENTARY

DOMESTIC MARKET

Soy meal

The domestic spot market continued the low tone at major market places. At NCDEX, the August futures contract showed a sharp dip in prices. The August soy meal future at the NCDEX opened on the lower side and then after rolled down. The market for most of the week remained bearish and showed a sharp fall on the last day of the month. The rains affected the markets in the western parts of India. The soy meal futures is expected to remain weak but might see some improvement later on during the week.

Plant delivery quotes of Soy seeds remained in the range of Rs 1305-1290 per qtl in Indore while soy meal in physical market has been offered at Rs 8900 - 9300 per MT, as per quality. FOR quotes remained at Rs 9650-9750 per MT in Kandla in jute bags, FAS has been put at \$ 226 - 230 per MT.

India's soy meal 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	8900-9300
Satna/Morena	8900
Vizag	10000
Nanded	8900
Nagpur (42-43%)	8400/9000
Latur	9000
Sangli	9400
Kandla	9725
Mumbai	9800
Dhulia/Jalna	----/9100
Kota	9050

Soy meal vessel report (29.07.05)

Loading of 6,000 MT of SBM is expected at Mumbai Port on the vessel 'Lisa L' to Sharja. SDS agents is handling the vessel.

NCDEX Soy meal Futures price (30th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	9153.00	9100.00	8915.00	8915.00	-238.00
Sep	9370.00	0.00	0.00	9370.00	0.00

Rape/ Mustard meal

The rape meal prices today remained within the same range that is continuing for last several days. The demand in the market is lean during the last few days.

In Shivpuri/ Morena, rates remained at Rs 4500 per MT; Kota & Barah at Rs. 4450 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 firmness of last few days the prices of groundnut meal today remained steady. The market of groundnut meal is being affected mainly by the low arrivals and uncertainty regarding the yield results. In the coming days the prices may remain within the range and will further move ahead.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6500 for 40% protein and at Dhulia market there was no trading for today.

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: Lower On Spec Selling, Weather

At CBOT the soy product futures ended lower as traders squared off their position during the end of the month trading and also favourable weather forecast attracted speculative selling on Friday. Soymeal futures ended lower across the board, following the tone of soybeans, with end-of-month speculative selling.

August soymeal settled \$3.40 lower at \$212.40 a short ton, and August soyoil ended 19 points lower at 24.31 cent a pound.

Nevertheless, weather remains a driving force in the market, as traders are keeping a close watch on the progress report of USDA indicating as how much the summer dryness will affect the final yield and production data. Meanwhile, very limited rainfall is expected through Tuesday across the Midwest, with temperatures warming into early next week.

In soymeal trades, Rand Financial bought 400 December, and Refco bought 300 December. Calyon Financial and Merrill Lynch each sold 400 December, and Man Financial and Rand Financial each sold 300 December. Commodity fund selling was estimated at 2,500 contracts.

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

CBOT Soymeal Futures as on 29th July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	215.8	216.5	216.5		-3.4	212.4
Oct'05	215.1	216.1	216.5	210.2	-4.5	210.6

CBOT remained closed on Saturday and Sunday

China: Soymeal Stable; Death Toll on the Rise in Sichuan; Economy Booming

The Chinese soymeal domestic market increased by RMB 10-60/MT in Jiangsu, Guangdong and Guangxi on Friday while for the rest of the week it remained stable. The piling of soymeal stock is putting pressure on the Crusher's. The procurement prices for local produced soybean and the distribution of prices for imported soybean at major ports remained stable for most of the week. The imported fishmeal market also remained stable at most of the ports. The rapemeal prices increased in most markets except for Guangdong on Friday but from Wednesday onwards it remained stable.

The birdflu fear has hit the Guangzhou province of China. Death toll related to pig bacteria in China rise to 31 in Sichuan. China has started producing pig borne disease vaccine.

China's economy to grow by 9.2 % with low inflation rate in 2005. Urban employees in China will enjoy 13.2 per cent pay rise in 1st half. The Chinese government is expected to raise personal income tax threshold. China is likely to amend the personal income tax law. It is also expected that the growth in China will continue to be quick and steady.

China is likely to continue prudent fiscal & monetary policies. The Anhui province will get loans for the industrialization of the areas.

NEWS ANALYSIS

Latest Kharif Oilseeds Sowing Progress; Picking Up

The shortfall in kharif acreage due to a delay in the onset and advancement of southwest monsoon seems to be picking up now. According to the latest agriculture ministry data, Kharif oilseed sowing is down merely 3.6 per cent (as on July 25) at 119.54 lakh hectares compared with 123.98 73 lakh hectares last year. This on-year shortfall is largely due to delayed monsoon and intermittent rains in regions like Indore division.

Following improvement in rains situation in central India, especially Malwa-Nimar belt, soybean sowing is now up 7 per cent at 62.84 lakh hectares compared with 58.73 lakh hectares last year. The situation has improved drastically since last week.

Groundnut sowing is down 15.4 per cent to 38.41 lakh hectare compared to 45.40 lakh hectare. Late rains followed by heavy rains had delayed sowing of the crop in Gujarat. Currently, sowing is said to be in full swing in groundnut-regions in Gujarat.

Sunflower sowing is down 39 per cent at 3.42 lakh hectares, sesamum down 8 per cent at 9.98 lakh hectares and niger seed down 38 per cent at 37,000 hectares. On the other hand, castor seed acreage is up 63.5 per cent at 4.53 lakh hectares.

WEATHER WATCH: (30.07.05)

Forecast valid for next 72 hours

North: Rain/thundershowers likely at a few places in the region

East: Rain/thundershowers likely at most places over Orissa and Chhattisgarh; at many places over Gangetic West Benga, Jharkhand and East Madhya Pradesh; at a few places in the rest region. Increase in rainfall activity over East Madhya Pradesh on 1st August.

South: Rain/thundershowers likely at many places over north Coastal Andhra Pradesh, Coastal Karnataka, Kerala and Andaman & Nicobar Islands; a few places in the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Rainfall activity likely to increase over Telangana on 1st August.

West: Rain/thundershowers likely at many places in Konkan & Goa, Madhya Maharashtra and Vidarbha and at a few places in the rest region. Rainfall activity likely to increase over Maharashtra & Goa, West Madhya Pradesh on 1st August.

Warning

Heavy to very Heavy rainfall likely at a few places over Orissa and Chhattisgarh. Isolated heavy rainfall also likely over, Konkan & Goa, Madhya Maharashtra, Vidarbha, Coastal Karnataka, Gangetic West Bengal, Jharkhand, East Madhya Pradesh and Kerala.

Outlook for subsequent two days

Further increase in rainfall activity over central India and Maharashtra & Goa.

Slight increase in rainfall activity over Gangetic Plains and north peninsular India.

Subdued rainfall activity likely to continue over northeastern States.

Forex Rates (29.07.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.49
European Union	Euro	52.73

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	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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