

OILMEAL

27th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Soymeal Market Continued the Weakness
- CBOT Soymeal: Ends Higher; Wetter Weather Expected
- Asian Feed Market Unaffected by Latest Bird Flu Case

TECHNICAL ANALYSIS

July 27, 2005

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

Candlesticks: The candlestick pattern is showing that the market opened weak but did show some recovery during the closing hours. The market is expected to open firm but may drop again tomorrow. The resistance and support level will be at 9200 and 9112 levels respectively.

Moving Average: The 3 - day MA have cut the 5 - day MA from above and both are moving downwards steeply.

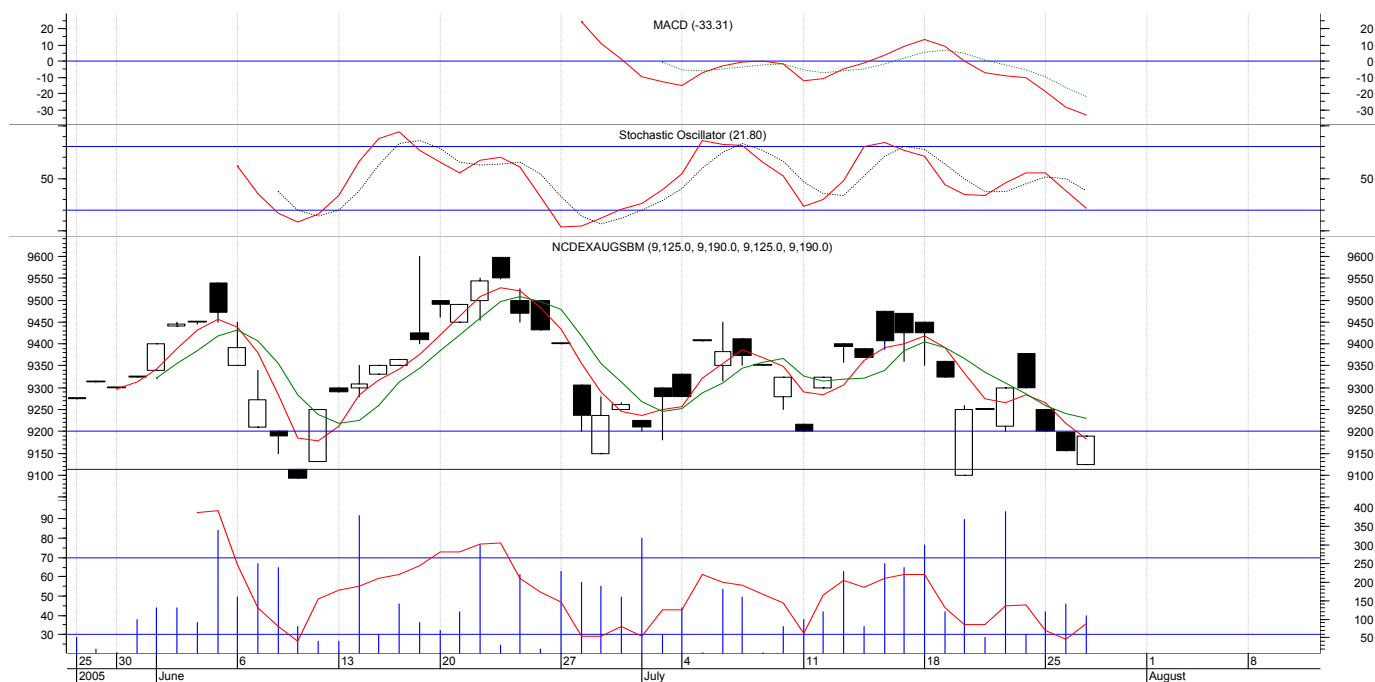
MACD: The MACD (5-day) after cutting the EMA from above moving downwards into the negative territory.

Stochastic: The percent K - line after cutting the percent D line is moving down and is just above the oversold

condition. Moreover, the percent D line is in the neutral region and it is also moving downwards.

The technical indicators are suggesting that the market sentiment will remain range bound with some weakness during the closing hours. It is expected that the soymeal future will show some improvement in the morning session.

Recommendation: The prices are expected to open higher and will trade range bound and may drop down in the late hours. Short buying seems to be profitable.



COMMENTARY

DOMESTIC MARKET

Soy meal

Continuing the sharp fall in the domestic cash market the soymeal further dropped down. However, at NCDEX the futures market did recover during the late hours and is expected to open firm tomorrow. The August soymeal future at the NCDEX revolved around the range of Rs. 9130-9190. The heavy rains affected the market in the western parts of India. The selling pressure is keeping the prices lower.

Plant delivery quotes of Soy seeds remained in the range of Rs 1320 per qtl in Indore while soymeal in physical market has been offered at Rs 9000 - 9300 per MT, as per quality. FOR quotes remained at Rs 9750-9850 per MT in Kandla in jute bags, FAS has been put at \$ 226 - 228per 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	9000-9300
Satna/Morena	9200
Javra/ Mandsore	-
Nanded	8900-9100
Nagpur (42-43%)	9100
Latur	9100
Sangli	9300
Dhulia/Jalna	9100/9300
Kota	9150

Soy meal vessel report (27.07.05)

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 (27th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	9155.00	9190.00	9125.00	9190.00	+35.00
Sep	9370.00	0.00	0.00	9370.00	0.00

Rape/ Mustard meal

Continuing the similar trends the market remain range bound. The market of rapemeal is in a tight situation due to limited demand in the markets. The arrivals were affected due to rain in the western part of India. 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. The demand in the market is lean during the last few days. The production of groundnut is quite uncertain and this also keeping the market under pressure.

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: Ends Higher; Wetter Weather Expected

Soybean futures at the Chicago Board of Trade ended moderately higher on Tuesday, but dropped down a bit, as cooler, wetter midday weather forecasts pushed up speculative selling to some extent. Soymeal futures ended higher across the board, but after it lost some of the earlier highs, following the price action in soybeans. There was also an underlying support as the processors reducing soymeal supplies.

August soymeal settled \$1.20 higher at \$213.40 a short ton, and August soyoil ended 16 points lower at 24.43 cents a pound.

There have been rising concerns over the production of the soybean crop as it moves into its critical yield-developing stage with a warm, dry forecast, which have attracted traders into adding weather premium initially. However, futures moved back again when private forecasters expected beneficial rains in the driest areas of the soybean belt in the next 24 hours.

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

CBOT Soymeal Futures as on 26th July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	212.2	215.5	219.7	212.5	1.2	213.4
Oct'05	210.8	214.0	219.0	210.8	1.4	212.2

CBOT remained closed on Saturday and Sunday

China: Soymeal Steady; Birdflu in Guangzhou

The Chinese soymeal domestic market witnessed steadiness in most places with a rise of RMB 20/MT in Shandong. The procurement prices for local produced soybean and the distribution of prices for imported soybean at major ports remained stable. The imported fishmeal market remained stable.

24 die of mysterious disease related to pig bacteria in China and there is no drug for the disease as the death toll rises. The birdflu fear has hit the Guangzhou province of China.

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

NEWS ANALYSIS

Asian Feed Market Unaffected by Latest Bird Flu Cases

Asian feed millers, is still under pressure from reduced demand after the last major outbreak of bird flu in 2003, are expecting that the latest flare-up in Indonesia, the Philippines and Thailand will have little impact on the feed ingredients market for the time-being.

In the first case of human fatalities from the disease in Indonesia, three family members were confirmed last week to have died from the deadly H5N1 strain. They were infected by chicken droppings that contained the virus. Indonesia uses around 1.3 million metric tons of soymeal a year, almost all of it imported from Latin America and the U.S.

Similarly, the feed market in the Philippines is expected to be little affected by the latest bird flu outbreak that hit a duck farm in northern Luzon. The virus found in the duck

farm was confirmed to be of the less-deadly H5 strain. There have been no reports of human infection in the Philippines.

Thailand also confirmed a second outbreak of bird flu in less than two weeks last Thursday. Total soymeal imports by Thailand should rise to 1.7 million tons in the October 2005-September 2006 marketing year. However, potential threats of more frequent outbreaks of the epidemic in the region on an even larger scale are likely to keep the entire animal feed industry in a precarious state.

WEATHER WATCH: (27.07.05)

Forecast valid for next 72 hours

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

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

South: Rain/thundershowers likely at most places over Andaman & Nicobar Islands and north Karnataka; at many places over rest Karnataka, Telangana and at a few places in the rest region outside Tamil Nadu & Pondicherry where it may be isolated.

West: Rain/thundershowers likely at most places over Maharashtra and Goa and West Madhya Pradesh; at many places over Gujarat State and south Rajasthan and at a few places in the rest region.

Warning

Heavy to very Heavy rainfall likely at a few places over Maharashtra and Goa. Isolated heavy rainfall also likely over West Madhya Pradesh, north Karnataka and Gujarat.

Outlook for subsequent two days

Increase in rainfall activity over west central & northwest India.

Ongoing rainfall activity over Maharashtra and Goa is likely to continue.

Forex Rates (27.07.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.49
European Union	Euro	52.04

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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