

OILMEAL

19th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Market Lower Amid Technical Correction
- CBOT Soymeal Lower In Choppy Trade; Weather Featured
- Oilseeds Sowing Progress

TECHNICAL ANALYSIS

July 19, 2005

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

Candlesticks: The candlestick pattern is showing range bound movement with some weakness in the market. The market is expected to open weaker. Moreover, the resistance and support level will be at 9270 and 9190 levels respectively.

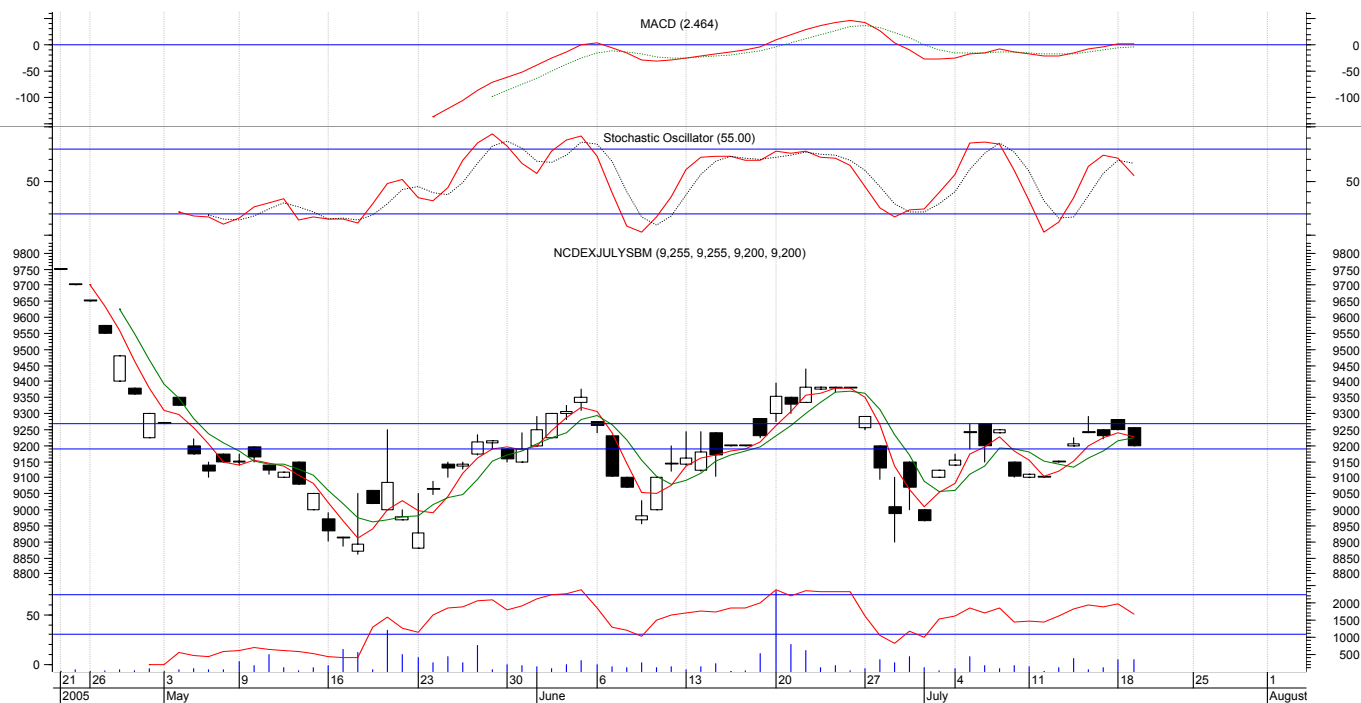
Moving Average: The 3 - day MA is lying above the 5 -day MA, 3 - day MA has started changing its curvature and moving downwards.

MACD: The MACD (5-day) has cut the EMA from below and MACD is now moving upward after crossing zero line though EMA is still lying in negative region

Stochastic: The percent K - line has changed its curvature and moving downward, so is the percent D line. However, both are in neutral region and showing a downward technical correction.

The market moved downwards due to technical correction but as tomorrow is the cut off day so some reversals is expected..

Recommendation: The prices will open weak and will trade range bound and some correction in the upward direction is expected. Short selling seems to be profitable.



COMMENTARY

DOMESTIC MARKET

Soy meal

The cash market did show some weakness in the market but was able to recover some of the losses during the later session. The sowing is progressing steadily after rain disturbances mainly in the Indore region. The market at present is showing some technical correction. The August contract as well as the July contract did remained bearish during the day long trade. The soymeal futures are expected to remain range bound with some bearishness in the market. The CBOT contract ended on a lower note on Monday due to confusion arising from weather forecast.

Plant delivery quotes of Soy seeds remained in the range of Rs 1335 per qtl in Indore while soymeal in physical market has been offered at Rs 9200 - 9600 per MT, as per quality. FOR quotes remained at Rs 10000 - 10100 per MT in Kandla in jute bags, FAS has been put at \$ 232 - 235 per MT.

India's soymeal exports totaled **115,750** tons in June 2005 as compared with 94,500 tons in June 2004.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)
Indore	9200 - 9600
Satna/Morena	9200
Javra/ Mandsore	9300
Nanded	9100-9200
Nagpur (42-43%)	8800-9300
Latur	9100
Sangli	9600
Dhulia/Jalna	9300/9500
Kota	9400

Soy meal vessel report (19.07.05)

Kolkata Port is receiving 26,500 MT of pulses from the vessel 'You Ya'. B Ghose agents is handling the vessel.

'Yaad E Mohammed' from Yangon has berthed at Mumbai Port and continues to deliver 14,553 MT of pulses. Sai Freight agents is handling the vessel. The port is expecting 'Yasmina' from Yangon to deliver 14,002 MT of pulses. Able Marine agents will be handling the vessel.

NCDEX Soy meal Futures price (19th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9251.00	9255.00	9200.00	9200.00	-51.00
Aug	9426.00	9360.00	9325.00	9325.00	-101.00

Rape/ Mustard meal

The rapemeal domestic sector continued the bullish sentiments at most markets. The prices of rape meal are strongly supported by the firmness in demand. Chance of a significant decline is not likely at presently.

In Shivpuri/ Morena, rates remained at Rs 4600 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

The arrivals in the market were low and thus the price sentiments improved further as seen during the last week. The sowing is still down by 23 per cent in the groundnut-sowing belt of Gujarat. Late and heavy rainfalls are supportive of the market sentiments. The price trend is expected to remain so.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6600 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 Lower In Choppy Trade; Weather Featured

Soybean futures at the Chicago Board of Trade ended on the lower side on Monday, after an uneven, two-sided trade, as confusion was revolving around weather uncertainty. Soymeal futures ended lower across the board following the trend of soybean.

August soymeal settled \$2.50 lower at \$224.20 a short ton, and August soyoil ended 6 points higher at 25.54 cents a pound.

Beneficial weekend rains, which were recorded in parts of the Midwest, and also long-term forecasts indicating extremely hot conditions during the next 10 days, affected Soymeal futures.

Meanwhile, weekly soybean export inspections totaled 2.491 million bushels, down from 6.062 million last week, the U.S. Department of Agriculture reported. This was below the low end of expectations that ranged from 5 million to 8 million bushels. For the current 2004-05 crop year, soybean inspections total 1.034 billion bushels, compared to 834 million at the same time one year ago.

CBOT Soymeal Futures as on 18th July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	226.7	230.0	230.0	221.2	-2.5	224.2
Aug'05	226.5	225.8	226.5	221.0	-2.2	224.3

CBOT remained closed on Saturday and Sunday

China: Soymeal & Rape meal Prices Remained Stable

The Chinese soymeal market remained stable 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 with soybean port take off of 64710 MT as on July 18. The rape meal market at Kunming increased by RBM 30/MT and Nanchang increased by RBM 20/MT while in other markets remained stable. The repeseed market surged ahead by RBM 40-60/MT. The Grade 4 soyoil dropped by RBM 30/MT and Grade 1 and Grade 4 rapeoil remained steady. The Chinese government have declared zero tariffs on all Hongkong produced imports. The typhoon Haitang is moving towards the mainland and is yet to affect the crop fields.

NEWS ANALYSIS

Oilseeds Sowing Progress

Kharif sowing is down 16.3 per cent at 84.3-lakh hectare compared with 100.73 lakh hectares last year. This on-year shortfall is largely owing to delayed monsoon and intermittent rains in regions like Indore division.

Groundnut sowing is down 23 per cent to 27.8 lakh hectares compared with 36.3 lakh hectares. Late rains followed by heavy rains delayed sowing of the crop in Gujarat.

Currently, sowing has resumed in some regions in groundnut growing regions in Gujarat. Soybean sowing is now down merely 9 per cent at 43.99 lakh hectares compared with 48.5 lakh hectares last year. The situation

has improved drastically since last week. This is largely due to improvement in rains situation in central India, especially Malwa-Nimar belt.

WEATHER WATCH: (19.07.05)

Forecast valid for next 72 hours

North: Rain/thundershowers likely at a few places over Uttaranchal and north Uttar Pradesh and isolated in the rest region.

East: Rain/thundershowers likely at many places over northeastern states and sub-himalayan West Bengal & Sikkim and at a few places in Bihar and isolated in the rest of the region.

South: Rain/thundershowers likely at a few places in Karnataka and Kerala and isolated in the rest region.

West: Rain/thundershowers likely at a few places over Konkan & Goa, madhya Maharashtra and isolated in the rest region.

Warning

Heavy to very heavy rainfall likely at isolated places over sub-himalayan West Bengal & Sikkim and northeastern states. Isolated heavy rainfall also likely over coastal Karnataka and Kerala.

Outlook for subsequent two days

Ongoing rainfall activity over northeastern states, sub-himalayan West Bengal & Sikkim, coastal Karnataka and Kerala likely to continue.

Subdued rainfall activity over remaining parts of the country likely to continue.

Forex Rates (19.07.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	52.34

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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