

OILMEAL

7th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Future Market Showed Mixed Trends
- CBOT Soymeal Lower on Consolidation
- SEA: Export of Oilmeal (April-June 2005) - down by 34%

TECHNICAL ANALYSIS

July 07, 2005

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

Candlesticks: The candlestick pattern is showing bearishness. There was mixed trading during the day. The market is expected to open weak. However, the resistance and support level will be at 9200 and 9100 levels respectively.

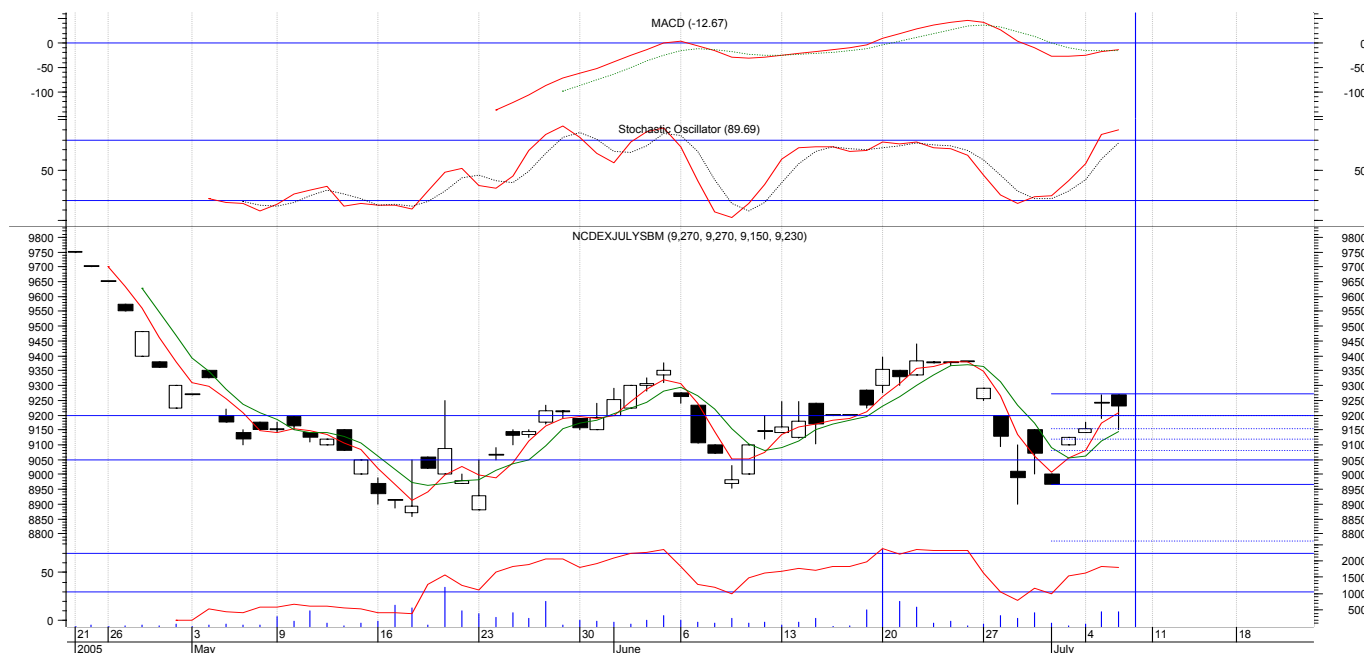
Moving Average: The 3 - day MA has cut the 5 -day MA from below but the slope of 3 - day MA have reduced.

MACD: The MACD (5-day) is showing an upward movement and have just crossed the EMA from the bottom side. Moreover, both are in the negative territory.

Stochastic: The percent K line have crossed the overbought condition but is showing a slight bent and might show a reversal. The per cent D - line is yet to cross the line.

All the indicators are showing some correction in the market and the market may show bearishness. The floods are affecting the trade.

Recommendation: The prices will remain bearish but during the day it will show some upward reversals.



COMMENTARY

DOMESTIC MARKET

Soy meal

The cash market showed some firmness in trading. The rains are affecting the arrivals. However, at NCDEX the July contract showed some volatility during the daylong trade and settled on the lower side. The CBOT contract ended on a lower note on Tuesday due to technical correction. The soymeal futures are expected to show some weakness. 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 - 9500 per MT, as per quality. FOR quotes remained at Rs 9900 - 10000 per MT in Kandla in jute bags, FAS has been put at \$ 231 - 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 - 9500
Satna/Morena	-
Javra/ Mandsore	-
Nanded	9200
Nagpur (42-43%)	9000
Latur	9200
Sangli	9500
Dhulia/Jalna	9200-9100
Kota	9300

Soy meal vessel report

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 6,800 MT of SBM is expected at the port on the vessel 'Stella M' to Egypt. Universal agents will be 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.

NCDEX Soy meal Futures price (7th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9239.00	9270.00	9150.00	9230.00	-09.00
Aug	9382.00	9411.00	9350.00	9350.00	-32.00

Rape/ Mustard meal

The rapemeal cash market maintained the consistency in the daylong trade. The demand was also at the last few days' 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 4550 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 **69,650** tons of rapemeal in May 2005 as compared to 100, 875 in May 2004.

Groundnut meal

The groundnut meal domestic market trading was weak and there was lack of interest from the traders. The market showed poor condition and the buy and sell was almost at the lowest level. 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 Consolidation

Soybean futures at the Chicago Board of Trade ended lower on Wednesday, reversing back from the gains of Tuesday due to the reason that the gains were in excess. Soymeal and soyoil futures scaled back from Tuesday's price gains, following the soybeans. Technical selling and also due to huge gains both the markets' reversed back into the negative territory after an uneven, two-sided trading in the early session.

August soymeal settled \$5.10 lower at \$216.40 a short ton, and August soyoil ended 30 points lower at 25.09 cents a pound.

The market effectively consolidated Tuesday's gains, with the absence of any fresh supportive news to attract enough speculative buying, which resulted in some price correction. Further, the weather is quite unpredictable for the time being.

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

CBOT Soymeal Futures as on 6th July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	220.8	221.0	222.5	215.5	-4.6	216.2
Aug'05	221.5	222.0	223.5	216.2	-5.1	216.4

CBOT remained closed on Saturday and Sunday

China: Soymeal Prices Moved Ahead

The Chinese soymeal market showed a steady upward tone of RBM 30-70/MT in most markets. The procurement prices for local produced soybean and the distribution prices for imported soybean at major ports remained stable. The rapemeal market maintained the firmness except a rise of RBM 20-30/MT in Hubei. The new rapeseed crop showed a steady rise of RBM 20-60/MT in Hubei whereas in other markets the prices remained stable. The bird flu in Qinghai is under control and no casualties to human and poultry has been reported but UN has urged the government to take necessary steps. Further, flood may arrive in the month of July in China. The heatwave is sweeping the country.

NEWS ANALYSIS

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 most places over Haryana including Chandigarh & Delhi, Punjab, Himachal Pradesh and Jammu & Kashmir; at many places in the rest region outside east Uttar Pradesh where it may be at a few places with decrease in rainfall activity over these areas after 8th July.

East: Rain/thundershowers likely at many places over gangetic West Bengal, Orissa and at a few places in the rest region. Increase in rainfall activity over gangetic West Bengal Orissa and Chhattisgarh and decrease over northeastern states on 9th & 10th July.

South: Rain/thundershowers likely at many places over coastal Karnataka and Kerala and at a few places in the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Increase in rainfall over Telangana and coastal Andhra Pradesh on 8th onwards.

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

Outlook for subsequent two days based on NCMRWF and other numerical weather products: Rainfall activity over peninsular India including Maharashtra is likely to increase slightly. Rainfall activity over western Himalayan region and plains of north India is likely to decrease further.

Warning

Heavy to very heavy rainfall likely at a few places over Jammu & Kashmir, Himachal Pradesh, Uttaranchal, Haryana including Chandigarh & Delhi, Punjab and east Rajasthan. Isolated heavy rainfall also likely over West Bengal & Sikkim, Orissa, west Uttar Pradesh, Konkan & Goa, coastal Karnataka and Kerala.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.64
European Union	Euro	52.01

Export of Oilmeal

COMMODITY WISE

India's oil meal exports of April - May '05 (compared to comparative period of previous year 2003-04)

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)
TOTAL	255,350 (644,925)	160,550 (196,875)	15,975 (59,550)	6,875 (—)	68,000 (—)	506,750 (901,350)
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	MUM- BAI	BHAV- NAGAR	KANDLA	VIZAG	KAKI- NADA	MAGD- ALLA	MUNDRA	TOTAL
April 2005	35,175 (61,525)	43,250 (102,175)	— (34,700)	126,625 (235,500)	15,850 (24,125)	— (7,500)	— (—)	— (11,900)	220,900 (477,425)
May 2005	10,500 (115,600)	48,325 (61,250)	— (12,225)	188,975 (155,950)	30,425 (56,400)	6,875 (9,000)	750 (—)	— (13,500)	285,850 (423,925)
TOTAL	45,675 (177,125)	91,575 (163,425)	— (46,925)	315,600 (391,450)	46,275 (80,525)	6,875 (16,500)	750 (—)	— (25,400)	506,750 (901,350)

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