

OILMEAL

14th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Futures Market Showing Weak Trading
- CBOT Soymeal Firmer on Forecasts & Spec Fund Buying
- USDA's Export Sales Highlights (July 1-7, 2005)
- China: Soymeal & Rape meal Prices Surged Ahead

TECHNICAL ANALYSIS

July 14, 2005

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

Candlesticks: The candlestick pattern is showing bullishness. The market did show some trading in the later part of the day. The market is expected to open on the higher side. Moreover, the resistance and support level will be at 9200 and 9290 levels respectively.

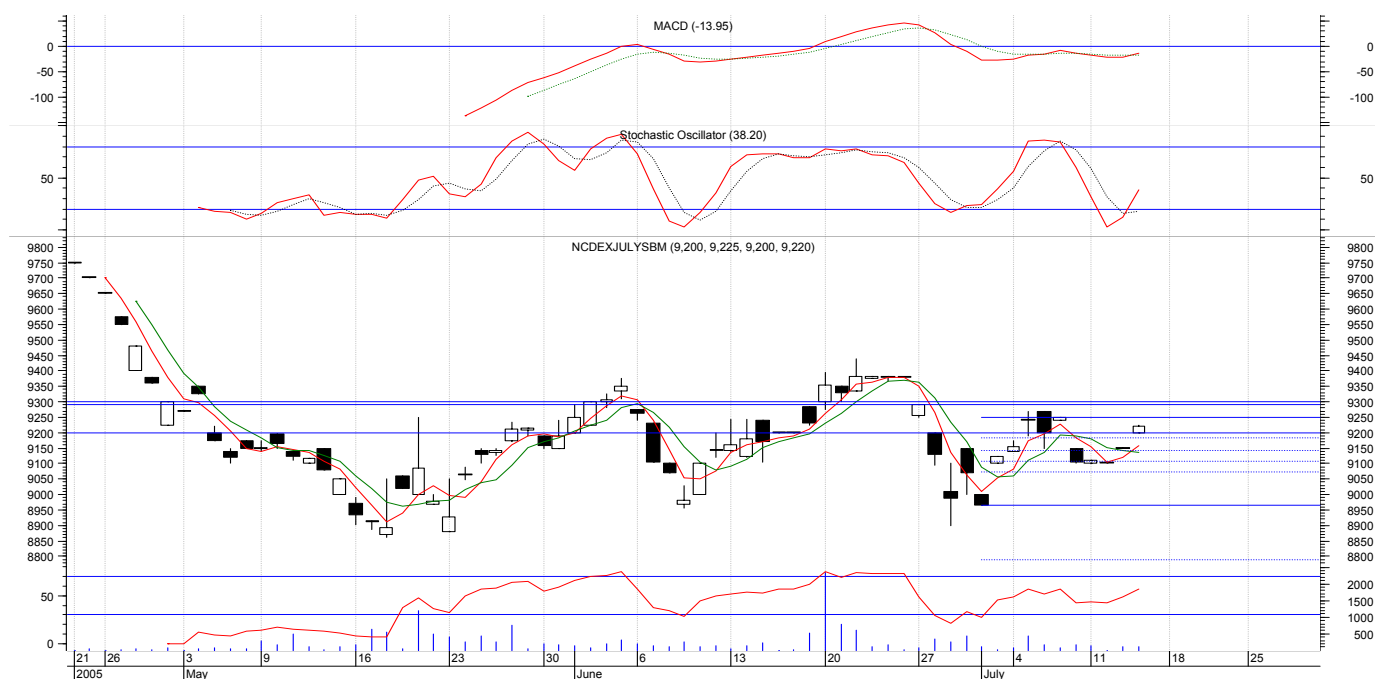
Moving Average: The 3 - day MA has cut the 5 -day MA from below and the 3 - day MA is showing an upward movement.

MACD: The MACD (5-day) has cut the EMA from below and MACD is moving ahead. However, both are in the negative territory but the MACD has shown a correction.

Stochastic: The percent K - line have cut the percent D line from below and have crossed the over sold condition and moved ahead into the neutral zone. It is showing a steady development.

All the indicators are pointing towards a positive movement of the prices. The market is going to show firmness in the market but there is no strong support from the market.

Recommendation: The prices will open on the higher side but the market is still weak.



COMMENTARY DOMESTIC MARKET

Soy meal

The cash market made firm gains in the domestic sector. Moreover, at NCDEX the July contract improved further but the August contract showed some weakness reflecting the weakness of the futures. The trading remained low for most of the day but gained some ground in the last session of the daylong trade and remained in the range of 9220-9225. The soymeal futures are expected to remain range bound with some firmness. The CBOT contract ended on a higher note on Wednesday due to weather and speculative fund buying.

Plant delivery quotes of Soy seeds remained in the range of Rs 1285 -1300 per qtl in Indore while soymeal in physical market has been offered at Rs 9000 - 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 \$ 228 - 230 per 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 - 9500
Satna/Morena	9300
Javra/ Mandsore	-
Nanded	9000 - 9100
Nagpur (42-43%)	8700-9100
Latur	9100
Sangli	9600
Dhulia/Jalna	9200/9200
Kota	9300

Soy meal vessel report

Loading of 2,200 MT of SBM is continuing at Mumbai Port on the vessel 'Merces Yala'. Sai Shipping agents is 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 (14th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9150.00	9225.00	9200.00	9220.00	+70.00
Aug	9394.00	9390.00	9370.00	9370.00	-24.00

Rape/ Mustard meal

The rape meal cash market did show bullishness during the daylong trade. The market demand remained firm and so were the arrivals. The market sentiments are expected to remain firm for the time being at major markets.

In Shivpuri/ Morena, rates remained at Rs 4500 per MT; Kota & Barah at Rs. 4500 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 groundnut meal domestic market maintained the consistency during the last few days. The market demand is at a low level and so are the arrivals. The sowing has been hampered in some parts of Gujarat and late sowing variety is also being re-sown in some places.

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 **8,900 MT** groundnutmeal in June 2005 as compared to 30,475 MT in June 2004.

INTERNATIONAL MARKET

CBOT Soymeal Firmer on Forecasts & Spec Fund Buying

Soymeal and Soyoil futures rallied steadily on Wednesday at the Chicago Board of Trade and were supported by hot and dry weather forecasts for next week and fund buying. Soybeans traded stronger during the day and it moved to their highest level in a week with Wednesday's rally, but their gains percentage-wise were smaller than for corn. But it's not too late for soybeans because if it rains between now and Aug. 15, then the soybeans will be in good shape.

August soyoil rose 39 points to 25.43 cents a pound and August soymeal rallied \$2.30 to \$221.20 a short ton.

Traders are waiting for two reports by NOPA and USDA weekly export sales to be released on Thursday. The National Oilseed Processors Association June monthly soybean crush is expected to be 130.5 million bushels. The May NOPA crush was 136.7 million bushels and last June's NOPA crush was 102.4 million bushels. Weekly export sales estimates for soymeal range from 45,000 to 100,000 metric tons, versus the previous week's sales of 54,700.

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

CBOT Soymeal Futures as on 13th July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	219.2	219.5	225.2	219.5	2.8	222.0
Aug'05	218.9	219.7	224.8	219.7	2.3	221.2

CBOT remained closed on Saturday and Sunday

China: Soymeal & Rapemeal Prices Surged Ahead

The Chinese soymeal market moved ahead by RBM 10 - 40/MT in Shandong and Nanning regions while in the rest of the regions remained stable. The procurement prices for local produced soybean and the distribution of prices for imported soybean at major ports remained stable. The rapeseed sharply surged ahead by RBM 40 -120 /MT in Chengdu and Northern Anhui market. The rapemeal also followed the similar trend and pushed up by RBM 10-30/MT in Guangdong, Hunan, Wuhan, Jiangsu and Henan. China has called out to put an end to export subsidies. The Chinese export grew by 32.7% in the first half.

Soybean futures traded on the Dalian Commodity Exchange fell on a mixture of short selling and long liquidation. November fell CNY8 to CNY3,053 a ton.

NEWS ANALYSIS

USDA's Export Sales Highlights (July 1-7, 2005)

Soybean Cake and Meal: Net sales of 79,500 MT were more than double the previous week, but 16 percent under the prior 4-week average. The primary buyers were Mexico (57,100 MT), Canada (17,400 MT), Panama (4,200 MT), and Honduras (3,000 MT). Reductions were reported for Guatemala (4,000 MT). Exports of 97,100 MT were 29 percent below the previous week and 12 percent under the prior 4-week average. The primary destinations were Mexico (49,500 MT), Canada (19,700 MT), Egypt (8,300 MT), and Japan (7,800 MT).

WEATHER WATCH:

Forecast For Next 24 Hours

North: Rain/thundershowers likely at many places over Uttaranchal, north Uttar Pradesh and Himachal Pradesh and at few places in the rest region. Decrease in rainfall

activity over Haryana, Punjab and south Uttar Pradesh after 15th.

East: Rain/thundershowers likely at most places over northeastern states, Bihar and West Bengal & Sikkim and at many places in the rest of the region outside Chhattisgarh, Jharkhand and east Madhya Pradesh where it may be at a few places. Decrease in rainfall activity over gangetic West Bengal, east Madhya Pradesh and Chhattisgarh after 15th.

South: Rain/thundershowers likely at a few places over costal Karnataka; Kerala, coastal Tamil Nadu and Lakshadweep and isolated in the rest of the region. Further increase in rainfall activity over Tamil Nadu, south Andhra Pradesh, Kerala and south interior Karnataka after 15th.

West: Rain/thundershowers likely at many places over west Madhya Pradesh at a few places over east Rajasthan and Konkan & Goa and at isolated places in the rest region. Decrease in rainfall activity over west Madhya Pradesh and east Rajasthan after 15th.

Outlook for subsequent two days

Further increase in rainfall activity over southern parts of peninsular India.

Current rainfall activity over northeastern states, sub-himalayan West Bengal & Sikkim, Bihar, north Uttar Pradesh and western himalayan region likely to continue.

Warning

Heavy to very heavy rainfall likely at a few places over northeastern states, West Bengal & Sikkim. Isolated heavy rainfall likely over Uttaranchal, Himachal Pradesh, Jammu & Kashmir, Bihar and north Uttar Pradesh.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
European Union	Euro	52.54

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	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)
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)	--- (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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