

## OILMEAL

15<sup>th</sup> July 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Market Showed Firmness
- CBOT Soymeal Ended Firmer
- China: Soymeal & Rape meal Prices Remained Stable
- USDA's Export Sales Highlights (July 1-7, 2005)

### TECHNICAL ANALYSIS

July 15, 2005

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

**Candlesticks:** The candlestick pattern is showing bullishness. The market did show trading during the day. The market is expected to open on the higher side. Moreover, the resistance and support level will be at 9335 and 9250 levels respectively.

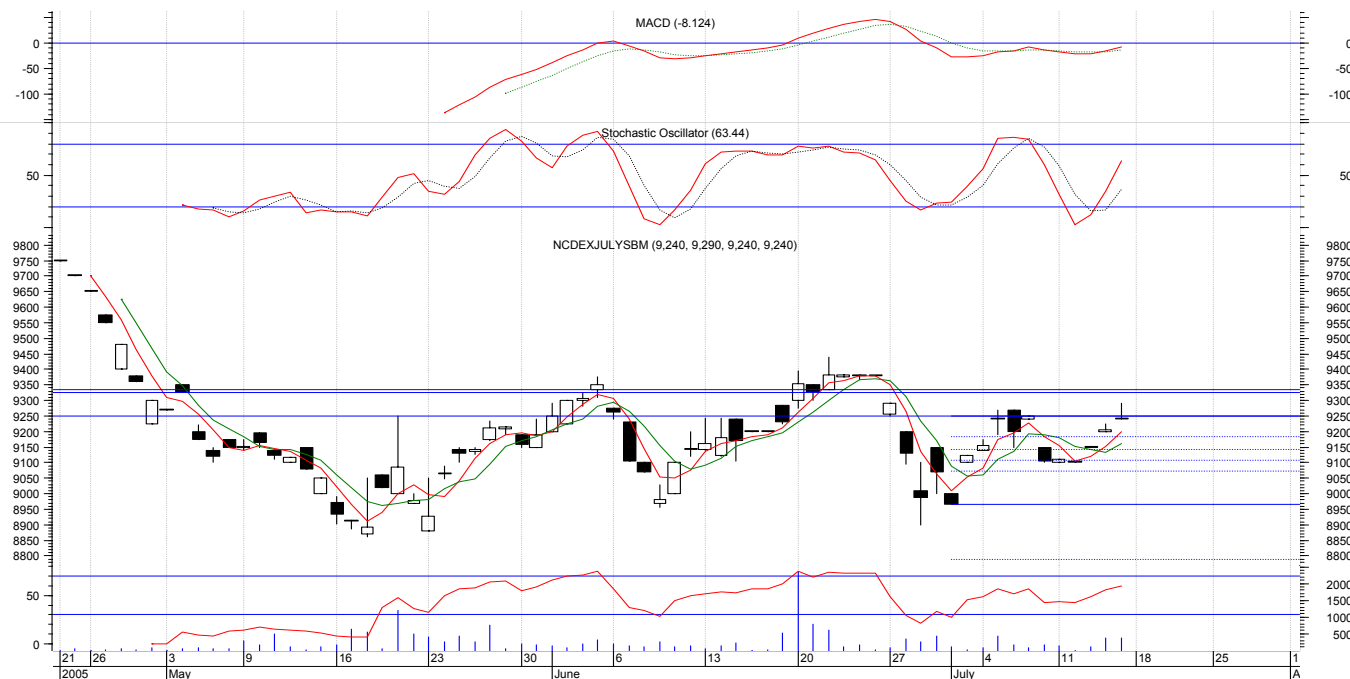
**Moving Average:** The 3 - day MA has cut the 5 -day MA from below and the 3 - day MA is showing an upward movement.

**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 and trading is going on. If market follows the trend and opens at 9240 remain long.



## COMMENTARY

### DOMESTIC MARKET

#### Soy meal

The cash market made further improvement in the domestic sector. Moreover, at NCDEX the July as well as August contract showed some firmness in the market. The trading is showing some sort of steadiness in the market and the market closed from where it took off. The soy meal futures are expected to remain range bound with some firmness. The CBOT contract ended on a higher note on Thursday due to rain forecasting.

Plant delivery quotes of Soy seeds remained in the range of Rs 1315 per qtl in Indore while soy meal in physical market has been offered at Rs 9200 - 9500 per MT, as per quality. FOR quotes remained at Rs 10000 - 10100 per MT in Kandla in jute bags, FAS has been put at \$ 231 - 234 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	9200 - 9500
Satna/Morena	9300
Javra/ Mandsore	-
Nanded	9100
Nagpur (42-43%)	9000
Latur	9100
Sangli	9600
Dhulia/Jalna	9300/9400
Kota	9400

#### Soy meal vessel report

'Ise' has berthed at Kandla Port and continues to load 13,500 MT of SBM to Japan. JM Baxi agents is 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.

Jamnagar Port is loading 8,000 MT of SBM to Bangkok on the vessel 'Thor Sky'. JM Baxi agents is handling the vessel.

#### NCDEX Soy meal Futures price (15<sup>th</sup> July)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9205.00	9290.00	9240.00	9240.00	+35.00
Aug	9370.00	9475.00	9400.00	9400.00	+30.00

#### 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. 4550 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 Soy meal Ended Firmer

Soy complex futures rose on Thursday at the Chicago Board of Trade but dropped down during the last half hour as funds sold and the market was expecting rains this weekend. In all, soybeans have a longer growing season and therefore people are a little more enthusiastic.

Chances for rain this weekend in parts of the eastern corn belt, which had been in the forecast earlier, were cited as the reason for the late-day break.

August soy meal rallied \$2.10 to \$223.30 a short ton. July soybeans expired at \$7.23. As soybeans fell back, so did the soy meal. Funds also stepped up selling in soy meal and soy oil during the latter hours in soybeans. However, if soybeans do rebound on Friday, soy meal will follow through.

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

## CBOT Soymeal Futures as on 14<sup>th</sup> July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	222.0	227.0	232.8	227.0	8	230.0
Aug'05	221.2	224.0	229.5	220.8	2.1	223.3

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. The rapeseed and the rape meal markets also followed similar trend and remained firm for the day. Beijing's per capita disposable income have increased and export is also growing rapidly. Another case bird flu fatality has been reported in Vietnam and an outbreak of swine fever has been reported in South Africa.

Soybean futures traded on the Dalian Commodity Exchange were mixed. November fell CNY1 to CNY3,052 a ton, but January rose.

## 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, east Uttar Pradesh and Himachal Pradesh and at few places in the rest region.

**East:** Rain/thundershowers likely at most places over northeastern state, Bihar, Jharkhand and West Bengal & Sikkim and at many places in the rest of the region.

**South:** Rain/thundershowers likely at a many places in the region outside Telangana, coastal Andhra Pradesh, north interior Karnataka where it may be at a few places.

**West:** Rain/thundershowers likely at many places over east Rajasthan and west Madhya Pradesh at a few places in the rest region outside Gujarat state and west Rajasthan where it may be at isolated places.

### 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 and Bihar likely to continue.

Current rainfall activity over plains of northwestern parts of India and western Himalayan region likely to decrease.

### Warning

Heavy to very heavy rainfall likely at a few places over northeastern states, West Bengal & Sikkim. Isolated heavy rainfall also likely over Uttaranchal, Himachal Pradesh, Bihar, Jharkhand, Orissa, west Madhya Pradesh and east Rajasthan.

### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.52
European Union	Euro	52.78

## 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	MUM-BAI	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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