

OILMEAL

22nd July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Futures Market Showed Recovery
- CBOT Soymeal Falls Sharply On Weather, Spec Selling
- China: Soymeal Dropped; Revaluation of RMB; Bird Flu Spreading
- USDA's Export Sales Highlights (July 8-15, 2005)

TECHNICAL ANALYSIS

July 22, 2005

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

Candlesticks: The candlestick pattern did show some bullishness. The market is expected to open on the higher side. Moreover, the resistance and support level will be at 9325 and 9280 levels respectively.

Moving Average: The 3 - day MA after cutting the 5 - day MA from above and both are moving downwards but the curvature of 3 - day MA is showing some slight recovery.

MACD: The MACD (5-day) has cut the EMA from above and both are moving downwards into the negative territory.

Stochastic: The percent K - line after cutting the percent D line is moving upwards. Moreover, both are in the neutral region and showing a further improvement.

All the indicators except the MA and MACD is showing further recovery in the market. The market is expected to move further upward and make gains in the market.

Recommendation: The prices will open firm and will trade range bound and some recovery in the upward direction is expected. Short buying seems to be profitable.



COMMENTARY

DOMESTIC MARKET

Soy meal

The soymeal market is still going through a lean phase and the domestic cash market did show some moderate selling. Moreover, at NCDEX there has been poor trading in the August contract but during the last few hours the futures market did gain some ground. The soymeal futures market is expected to remain range bound with some further recovery. The CBOT contract ended moderately higher on Thursday due to favourable weather forecast and technical selling.

Plant delivery quotes of Soy seeds remained in the range of Rs 1315 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 9800-9900 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	9200
Javra/ Mandsore	-
Nanded	8900-9100
Nagpur (42-43%)	9000-9100
Latur	9100
Sangli	9400
Dhulia/Jalna	9100/9200
Kota	9200

Soy meal vessel report (22.07.05)

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

Loading of 2,300 MT of SBM is expected at Mumbai Port on the vessel 'Indruva Valley'. Sai Freight agents will be handling the vessel.

NCDEX Soy meal Futures price (22nd July)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	9250.00	9300.00	9200.00	9300.00	+50.00
Sep	9350.00	0.00	0.00	9350.00	0.00

Rape/ Mustard meal

The market did show an improvement during the late hours due to some support from the millers. The market is in a tight situation due to poor arrivals of other oilseeds. The chance of a significant decline is not likely at presently.

The unsteady progress of sowing of other oilseed crops and continuing dry spell in major growing areas is still helping the prices.

In Shivpuri/ Morena, rates remained at Rs 4600 per MT; Kota & Barah at Rs. 4350 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

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. This might put pressure on the production output. Today the market remained dull at major markets. The price trend is expected to remain so.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6500 for 40% protein and at Dhulia market it was quoted at Rs. 8100 -8200for 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 Falls Sharply On Weather, Spec Selling

Soybean futures at the Chicago Board of Trade stumbled lower on Thursday, due to speculative selling amid improved weather outlooks for Midwest crops. Soymeal futures ended lower across the board, due to speculative selling amid pressure from soybeans and technical weakness. The soycomplex as a whole fell due to speculative selling, as the market redirected itself due to shifts in weather patterns for Midwest crops.

August soymeal settled \$4.40 lower at \$212.60 a short ton, and August soyoil ended 42 points lower at 24.31 cent a pound.

The perception that beneficial rains moving through the Midwest and the potential for cooler and wetter conditions next week would aid crop development. The rains might help in average yields if it comes down timely and continue through the critical August pod filling stage. The export remained low and the news of China revaluing its currency is creating concerns.

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

CBOT Soymeal Futures as on 21st July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	217.0	212.0	212.9	209.7	-4.4	212.6
Oct'05	216.7	212.0	212.0	208.5	-5	211.7

CBOT remained closed on Saturday and Sunday

China: Soymeal Dropped; Revaluation of RMB; Bird Flu Spreading

The Chinese soymeal domestic market witnessed a decline of RMB 10-70/MT in most places with crushers in Guangdong halting their SBM offers today. The procurement prices for local produced soybean and the distribution of prices for imported soybean at major ports remained stable. The rape meal market and the rapeseed market remained stable for most of the day.

The Producer's Price Index increased by 5.6% in China in June and. The government is expecting that the trade surplus is likely to continue. There has been a Public announcement of the People's Bank of China on reforming the RMB exchange rate regime. China have adjusted the Yuan rate and abolishes dollar pegs and is untroubled by in or deflation

Indonesia took steps to slaughter all chickens, pigs in bird flu affected areas and this might affect the poultry industry and which in turn might pressurize the soy meal prices. Russia also confirmed 1st case of Birdflu. Birdflu in frozen duck meat shipped from China to Japan, WHO says the virus is wide spreading.

In overseas markets, soybean futures on the Dalian Commodity Exchange settled mixed in subdued trading Thursday, following a moderate rise overnight in CBOT soybean futures. The most widely held November soybean contract gained CNY3 to settle at CNY2, 944 a ton, after trading between CNY2, 935/ton and CNY2, 955/ton.

NEWS ANALYSIS

USDA's Export Sales Highlights (July 8-15, 2005)

Soybean Cake and Meal: Net sales of 44,300 MT were 44 percent below the previous week and 56 percent under the

prior 4-week average. The primary buyers were Canada (9,600 MT), El Salvador (9,000 MT), Australia (6,500 MT), and Mexico (6,000 MT). Reductions were reported for Guatemala (8,200 MT). Exports of 107,800 MT were 11 percent above the previous week, but 8 percent under the prior 4-week average. The primary destinations were Japan (29,000 MT), Mexico (27,200 MT), Canada (18,700 MT), and El Salvador (10,200 MT).

WEATHER WATCH: (22.07.05)

Forecast valid for next 72 hours

North: Rain/thundershowers likely at many places over Uttaranchal, Himachal Pradesh and East Uttar Pradesh, at a few places in West Uttar Pradesh and isolated in the rest region.

East: Rain/thundershowers likely at many places West Bengal & Sikkim and Orissa and at a few places in the rest region outside East Madhya Pradesh where it may be isolated.

South: Rain/thundershowers likely at many places in Andaman & Nicobar Islands, Coastal Andhra Pradesh and Coastal Karnataka; at a few places over Interior Karnataka, Interior Andhra Pradesh, Kerala and Lakshadweep and isolated in Tamil Nadu.

West: Rain/thundershowers likely at many places over Konkan & Goa and Madhya Maharashtra and isolated in the rest region.

Warning

Heavy rainfall likely at isolated places over Konkan & Goa, Coastal Karnataka, Coastal Orissa, North Coastal Andhra Pradesh and Andaman & Nicobar Islands.

Outlook for subsequent two days

Ongoing rainfall activity along West coast is likely to continue.

Rainfall activity is likely to increase over eastcentral and adjoining Peninsular India.

Forex Rates (22.07.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.39
European Union	Euro	52.85

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	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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