

OILMEAL

5th July 2005

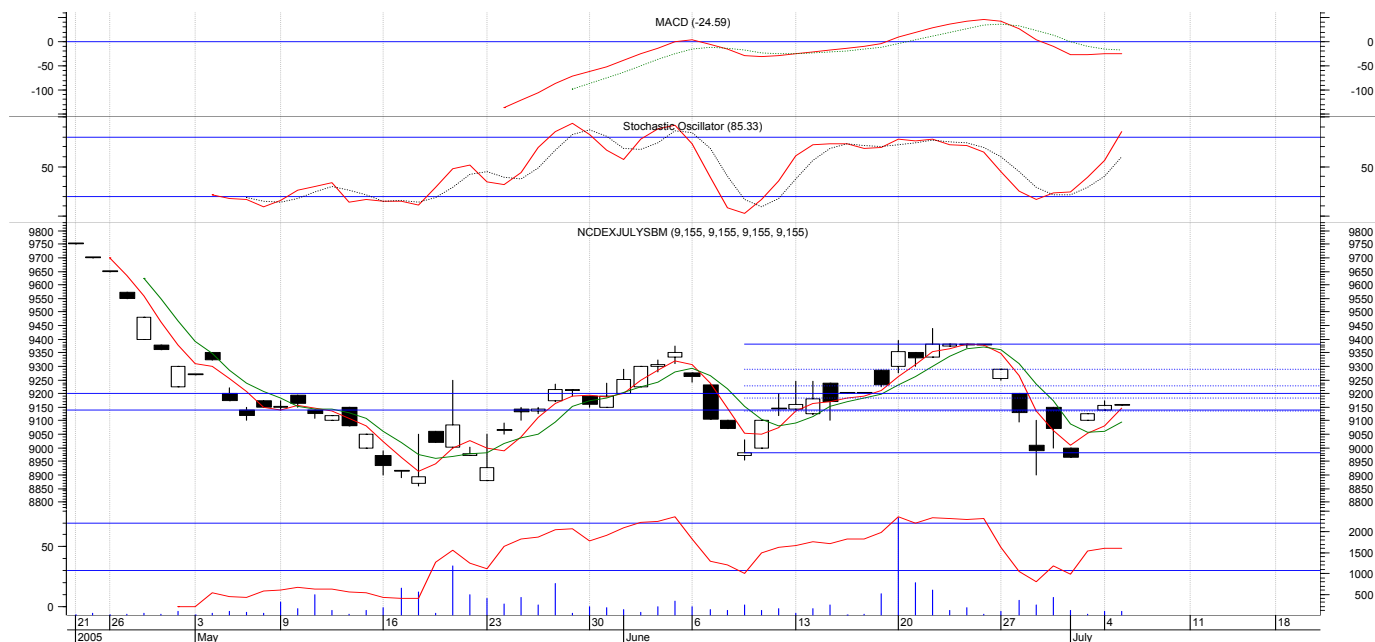
MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Remained Dull
- Oilmeal Exports Dropped by 54% in April
- Sowing Progress of Oilseeds

TECHNICAL ANALYSIS

July 05, 2005

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



Candlesticks: The candlestick pattern is showing indecisiveness. There was low trading during the day. The market is expected to open firm. However, the resistance and support level will be at 9200 and 9140 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) is showing an upward correction and is showing a movement towards the EMA. However, both are in the negative territory.

Stochastic: The %K-line has cut the % D -line from below and the percent K line have touched the overbought condition.

All the indicators are showing a firm movement in the market but some correction is expected after some upward movement.

Recommendation: The prices will remain range bound with some upward movement. The market is bullish for the time.

COMMENTARY

DOMESTIC MARKET

Soy meal

The cash market remained weak as the traders remained away from the market. However, at NCDEX the July contract showed some weak trading during the daylong trade and market maintained the weak tone today. The rains are affecting the arrivals. Soy meal future is likely to remain range bound with some weak trading. The monsoon is to be watched.

Plant delivery quotes of Soy seeds remained in the range of Rs 1280 - 1290 per qtl in Indore while soy meal in physical market has been offered at Rs 9000-9350 per MT, as per quality. FOR quotes remained at Rs 9700 - 9800 per MT in Kandla in jute bags, FAS has been put at \$ 226 - 228 per MT.

India's soy meal 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	9000-9350
Satna/Morena	-
Javra/ Mandsore	-
Nanded	9000-9200
Nagpur (42-43%)	-
Latur	9200
Sangli	8900
Dhulia/Jalna	9400-9100
Kota	9300

Soy meal vessel report

Kandla Port is expecting Devon to load 15,000 MT of SBM to Japan. Taurus agents will handle the vessel. Another vessel, Thor Skipper is expected at the port to load 12,700 MT of SBM to Indonesia. Inter ocean agents will be 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 expected at Mumbai Port on the vessel Mercs Yala. Sai Shipping agents will be handling the vessel. Indruva 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 (5th July)

	Prev Close Price	High Price	Low Price	Close Price	Change
July	9155.00	0.00	0.00	9155.00	0.00
Aug	9280.00	9407.00	9407.00	9407.00	+127.00

Rape/ Mustard meal

The rapemeal cash market maintained the steady prices of last week. The demand in the market remained firm today. The market is expected to stay range bound but 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 4500 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 remained at a firm level and maintained the strength of last week. The trading is expected to remain firm for the time being. 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** groundnut meal in May 2005 as compared to 44,750 MT in May 2004.

INTERNATIONAL MARKET

CBOT: Commentary will be available on Wednesday, as CBOT will remain closed till Monday due to Independence Day Holiday.

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

CBOT Soy meal Futures as on 1st July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	207.0	209.5	210.0	206.7	2.5	209.5
Aug '05	207.3	210.1	210.5	207.0	3.2	210.5

CBOT remained closed on Saturday and Sunday

China: Soy meal Prices Steady

The Chinese soy meal market showed a steady tone in most market except a rise of RBM 20 - 50/MT in Henan, Jiangsu, Guangxi and Zhejiang. The rapemeal market maintained the firmness. The procurement prices for local

produced soybean and the distribution prices for imported soybean at major ports 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 import of

NEWS ANALYSIS

Oilmeal Exports Dropped by 54% in April

Low activity in soybean crushing, caused by poor arrival of the oilseed in the mandis of Madhya Pradesh for the past couple of months, has put some pressure on the availability of soymeal exports.

After meeting domestic demand against its low supply, particularly in the largest soybean producing state of Madhya Pradesh, the oilmeal trade exported just 99,250 tonnes of soymeal in April '05, down 73% from the last year's 366,625 tonnes. Since soymeal accounts for 70% of the country's total oilmeal exports, such a sharp drop in its exports has pushed down the country's total oilmeal exports in the month by 54% to 220,900 tonnes from 366,625 tonnes in the same month last year.

Sowing Progress of Oilseeds

Kharif sowing is down 73 per cent at 1.4 million hectares compared with 5.1 million hectares last year. This year shortfall is largely due to delayed monsoon. However, agriculture ministry still considers this year's sowing, till date, to be 9 per cent above normal. Groundnut sowing is down 63 per cent to 838,000 hectares compared to 2.3 million hectares last year. Delayed rains also held up sowing. Currently, sowing has been stopped in the groundnut growing regions of Gujarat due to flood. But, the agriculture ministry is yet to assess the damage to the earlier sown regions in the state that may have been caused by floods. Soybean sowing is down 87 per cent at 245,000 hectares compared with 1.9 million hectares last year. This is largely due to intermittent rains in the sowing regions, which is largely rainfed. Sowing is likely to pick up this week as IMD has forecasted that current monsoon will strengthen in the region. Sunflower sowing is down 63 per cent at 138,000 hectares, sesamum down 70 per cent at 140,000 hectares, niger seed down 81 per cent at 3,000 hectares and castor seed down 33 per cent at 28,000 hectares.

USDA Export Sales Highlights, June 17 - 23, 2005

Soybean Cake and Meal: Net sales of 177,500 MT were 62 percent above the previous week and two and one-third times the prior 4-week average. Increases for the Philippines (70,100 MT, including 44,000 MT late reporting of which 40,000 MT was switched from unknown destinations), Japan (60,900 MT), the Dominican Republic (20,000 MT), and Guatemala (17,900 MT) were partially offset by decreases for unknown destinations (34,000 MT). Exports of 195,800 MT were much improved from the previous week and double the prior 4-week average. The primary destinations were the Philippines (70,400 MT, including 44,000 MT late reporting), Japan (33,600 MT), Mexico (21,300 MT), Canada (18,900 MT), Cuba (15,000 MT), and Honduras (11,000 MT).

WEATHER WATCH:

Rain/thundershowers likely at most places in gangetic West Bengal and east Madhya Pradesh and at many places over the rest region. Rain/thundershowers likely at most places over east Rajasthan, Konkan & Goa and west Madhya pradeSh, at many places over rest of the region outside west Rajasthan and Saurashtra & kuTch where it may be at a few places.

Outlook for subsequent two days: Rainfall activity over gangetic West Bengal, Orissa and Jharkhand is likely to increase.

Warning

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

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.57
European Union	Euro	51.84

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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