

OILMEAL

9th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Remained Bearish
- CBOT Soymeal Ends Up; Midday Weather Lowers Gains
- Latest Oilseeds Sowing Showing a Downfall

COMMENTARY

DOMESTIC MARKET

Soy meal

Continuing the trend of last day the soymeal market remained bearish. The soymeal market continued the weakness at the spot market. At NCDEX, the August soymeal future contract showed some weak trading during the last few hours after a weak opening. The trading in the market is showing a weak trend. The soymeal futures at CBOT on Monday finished on the higher side but lower off the highs due to wetter weather forecasting.

Plant delivery quotes of Soy seeds remained in the range of Rs 1275 - 85 per qtl in Indore while soymeal in physical market has been offered at Rs 8800 -9200 per MT, as per quality. FOR quotes remained at Rs 9550-9650 per MT in Kandla in jute bags, FAS has been put at \$ 225- 227 per MT.

India's soymeal exports totalled **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	8800-9200
Satna/Morena	8700
Nanded	8800
Nagpur (42-43%)	8900
Latur	8800
Sangli	-
Dhulia/Jalna	9100-9300/9000
Kota	8900-8950
Kandla	9575-9600
Mumbai	9700-9750
Vizag	9750

Soy meal vessel report (09.08.05)

Loading of 13,500 MT of SBM is continuing at Kandla Port on the vessel 'Thor Mercury' to Indonesia. Shantilal agents is handling the vessel. The port is expecting 'Far East Glory' to load 13,000 MT of SBM to Japan. The vessel will be handled by Interocean agents.

NCDEX Soy meal Futures price (9th August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8900.00	8885.00	8850.00	8850.00	-50.00
Sep	8950.00	0.00	0.00	8950.00	0.00

Rape/ Mustard meal

The rapeseed market remained bearish and the market did not see enough trading in most places. The demand in the market is yet to pick up. The weakness in other oilmeals is affecting the rapemeal market and it also remained low.

In Shivpuri/ Morena, rates remained at Rs 4450 per MT; Kota & Barah at Rs. 4450 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 meal market carried on from where it left off last day and maintained the sluggish tone. The market lay flat at the same price level for today. In the coming days the prices may remain within the range and later on will be better off. The market is worried about the productivity of

the groundnut as no clear picture is coming out about the flood hit areas.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6450 for 40% protein and at Dhulia market there was no trading for today.

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 Ends Up; Midday Weather Lowers Gains

Soybean futures at the Chicago Board of Trade ended modestly higher on Monday but well below earlier highs, cutting down the advances due to wetter midday weather outlooks for the Midwest. Soymeal futures ended higher, but down from early highs, keeping pace with the pullback in soybean prices.

December soymeal settled \$0.80 higher at \$209.60 a short ton, and December soyoil ended 19 points lower at 23.73 cent a pound.

The market erased off some of its early gains as private forecasters increased the rain potential for eastern Midwest crop areas in noon weather outlooks, taking away some of the advantage off the market. U.S. Department of Agriculture's is scheduled to release its crop production and supply and demand reports on Friday.

Hot and dry forecasts will prevail except some beneficial rains of significance in the northern Midwest areas this week, which created some early strength in the market, with light technical buying from ideas Friday's declines were overdone adding the firm tone.

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

CBOT Soymeal Futures as on 8th August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	210.9	208.8	213.5	208.8	0.8	211.7
Oct'05	208.8	210.0	211.5	209.0	0.8	209.6

CBOT remained closed on Saturday and Sunday

China: Soymeal Picked Up; Disease Under Control

The soymeal prices picked up by RMB 10/MT in Zhengzhou, Guangzhou while rest of the places remained stable. The imported fishmeal softened at Dalian port and at other ports remained stable.

In North East China Anthrax disease is under control. No new pig borne disease cases reported in Sichuan.

Central bank to adjust Yuan's float rate at proper time. Fast, steady growth expected to hold up in China.

In overseas markets, soybean futures traded on China's Dalian Commodity Exchange settled mostly higher Friday on short-covering after prices fell sharply Thursday, traders said. The benchmark January 2006 soybean contract rose CNY10 a metric ton to settle at CNY2,884/ton, after trading between CNY2,875/ton and CNY2,894/ton.

NEWS ANALYSIS

Latest Oilseeds Sowing Showing a Downfall

Kharif sowing is down merely 2.53 per cent at 150.37 lakh hectare compared with 154.59 lakh hectare last year. This shortfall is largely due to delayed monsoon.

Soybean sowing is slightly lower than last year, the data suggests. The coverage is better in Andhra Pradesh, Maharashtra and Rajasthan. The acreage in Madhya Pradesh is less on year, as of today, due to delayed onset and advancement of monsoon.

Experts, however, are still hopeful of improvement in area acreage. Sowing in other states has been completed.

Soybean acreage is now down 1.4 per cent at 74.36 lakh hectare compared with 75.48 lakh hectare last year.

A significant improvement in groundnut acreage has been seen within the last week. However, the coverage still is down 6 per cent on year at 50.24 lakh hectare. This is largely due to lower acreage in Gujarat due to delayed onset of monsoon coupled with heavy rains subsequently.

Other states registering lower acreage on year are Karnataka and Tamil Nadu. While the sowing in Gujarat and Maharashtra is over, it is still on in Karnataka and Andhra Pradesh.

Sunflower sowing is down 24 per cent at 4.39 lakh hectare and niger seed down 38 per cent at 78,000 hectare. On the other hand, castor seed acreage is up 57 per cent at 6.15 lakh hectare and sesamum up 2.5 per cent at 13.65 lakh hectare.

WEATHER WATCH: (09.08.05)

Forecast valid for next 72 hours

North: Rain/thundershowers likely at a few places over Himachal Pradesh and Uttaranchal and isolated in the region outside Punjab, West Uttar Pradesh where weather may be mainly dry.

East: Rain/thundershowers likely at many places over northeastern States, West Bengal & Sikkim and at a few places over Orissa, Bihar and Jharkhand and isolated in the rest region.

South: Rain/thundershowers likely at many places over Coastal Karnataka and at a few places over Interior Karnataka and Coastal Andhra Pradesh and isolated in the rest region.

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

Warning

Isolated heavy rainfall likely over northeastern States and West Bengal & Sikkim.

Outlook for subsequent two days

Increase in rainfall activity likely over Orissa, Jharkhand and Chhattisgarh.

Decrease in rainfall activity over northeastern States and Sub-Himalayan West Bengal & Sikkim.

Forex Rates (09.08.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
European Union	Euro	53.99

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	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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