

OILMEAL

23rd August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Remained Slight Strong
- CBOT Soymeal Futures Firm on Technicals

COMMENTARY

DOMESTIC MARKET

Soy meal

Today, the soy meal market sentiment fetched a better position as against of previous day amid stable demand, less arrival and tight market sentiment. The market sentiment for soy meal remained higher at most of the places today as against of last weekend's closing prices. The new crop will be arrived in the market around October, according to the traders. The futures market also showed strong sentiment today as compared to last day. The September contract at the NCDEX opened above the closing price of previous day and remained on higher side throughout the session period. There was no trading activity at the NCDEX today on October contract.

Plant delivery quotes of Soy seeds also remained higher today as compared to last day and traded at Rs 1260-1265 per qtl in Indore while soy meal in physical market has been traded at range bound with stable price of Rs.8600 per MT, as per quality. FOR quotes remained at Rs 9300-9400 per MT in Kandla in jute bags, FAS has been put at \$ 218-220 per MT.

India's soy meal exports totalled **135,550** tons in June 2005 compared with 19,250 tons in June 2004.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	23.08.05	22.08.05
Indore	8600	8500-8700
Satna/Morena	8650	8450-8500
Nanded	8700	8600
Nagpur (42-43%)	8500	8600-8700
Latur	8700	8600
Sangli	-	-
Dhulia/Jalna	8600	8500-8650
Kota	8750	8600
Kandla	9400	9200-9300
Mumbai	9500	9400-9450
Vizag	9300	9350-9400

Soy Meal Vessel Report (23.08.05)

'Banglar Doot' has berthed at Mumbai Port and continues to load 2,000 MT of SBN> Able Marine agents is handling the vessel. Mumbai Port is expecting 'Asha Ashik' to load 10,000 MT of SBM. Astral Freight agents will be handling the vessel. Another vessel, 'Indruwa Valley' is expected at the port to deliver 2,500 MT of SBM. Sai Freight agents will be handling the vessel.

Loading of 11,000 MT of SBM is expected at Kandla Port on the vessel 'Jat Na Mu' to Vietnam. Intercean agents is handling the vessel. The port is expecting 'IKI' to load 13,600 MT of SBM to Japan. JM Baxi agents will handle the vessel.

NCDEX Soy meal Futures price (23rd August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sept'05	8500.00	8600.00	8550.00	8550.00	+50.00
Oct'05	8700.00	0.00	0.00	8700.00	0.00

Rape/ Mustard meal

The rapeseed/mustard meal market showed a range bound with stable sentiment today as against of previous day. The market-moving factors were less demand from poultry industry but promising demand from cattle and dairy industry, moderate domestic demand etc. The demand in the market is expected to be stable and continue the trend in the coming week.

In Shivpuri/ Morena, it was traded at Rs.4500 per MT; Kota at Rs.4400 & Barah at Rs. 4400 per MT, which was remained range bound with stable undertone from previous day.

India exported **45,750** tons of rapemeal in June 2005 as compared to 54,400 in June 2004.

Groundnut meal

The market sentiment for groundnut meal witnessed slight weak undertone today. In the coming days the prices may remain within the range and later on will be comfortable.

In Rajkot, the GN extraction has been quoted at Rs 5600-5700/ MT for 40% protein at stable position and in Dhulia it remained at Rs.7500-7600/MT.

India exported around **17,700 MT** groundnut meals in June 2005 as compared to 2,300 MT in June 2004.

INTERNATIONAL MARKET

CBOT Soymeal Futures Firm on Technicals

Soymeal futures on the Chicago Board of Trade (CBOT) ended firm and at session highs Monday, bolstered by technical buying and crop concerns amid only limited U.S. Midwest rain prospects during the next 10 days, where as soybean futures also showed higher sentiment. November soybeans ended 9.75 cents higher at \$6.173 December soymeal settled \$2.90 higher at \$192.30 a short ton, and December soyoil ended 22 points higher at 22.74 cents a pound. Along with oversold technical conditions, drier U.S. Midwest crop weather outlooks and hot, dry forecasts for pod-filling U.S. Delta fields this week underpinned prices, analysts said. Overall activity was relatively subdued. The USDA is scheduled to release its weekly crop progress reports at 3 p.m. CDT (2000 GMT). Analysts anticipate crops rated in good-to-excellent condition to come in 1 to 3 percentage points higher than last week.

In soybean trades, ADM Investor Services and Man Financial each bought 200 December. Goldenberg Hehmeyer and Refco each sold 200 December, Bunge Chicago sold 100 December, and Cargill and Merrill Lynch each sold 100 September.

In soyoil trades, Calyon Financial bought 200 December, Tenco bought 300 October, Bunge Chicago, Merrill Lynch and Refco each bought 200 December, and Cargill bought 20 October. ABN Amro and Refco each sold 200 September.

CBOT Soymeal Futures as on 22nd August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	186.8	188.2	190.5	188.2	+3.1	189.9
Oct'05	187.1	189.0	191.0	189.9	+2.8	189.9

CBOT remained closed on Saturday and Sunday

China Soymeal Market Improved

It is witnessed that the soybean market sentiment in China rebounded by RMB 10-30 per MT in Liaoning, Shandong, Guandong, coupled with steady bprices in most other states. Chinese RMB fluctuated with the US dollar. It is hopeful that soybean prices would rise further.

NEWS ANALYSIS

Latest Kharif Sowing Progress

According to the latest data released by the agriculture ministry that the shortfall in kharif sowing is minimizing now. Delay in onset and advancement of the south-west monsoon has led to shortfall in kharif acreage this year. As on 16 August, coarse cereals acreage is down 2.3 per cent on year followed by oilseeds and rice, which dropped 1.8 per cent each.

Kharif oilseed sowing progress decreased marginally by 1.8 per cent at 158.14 lakh hectares compared with 161.03 lakh hectares last year. This on-year shortfall is largely due to delayed monsoons. Groundnut sowing is also 4 per cent lower at 52.5 lakh hectares. The data reveals that this is mainly due to lower coverage in Andhra Pradesh, Gujarat, Maharashtra and Tamil Nadu. However, sowing is still on in AP, Karnataka and Tamil Nadu, AP too is witnessing crop diversion this year. It is reported that the sowing is almost completed in Gujarat and Maharashtra.

Soybean acreage is also lower on year. The acreage in MP is less on year, due to delayed onset and advancement of monsoon.

Experts, however, are still expecting that the area acreage would improve. Sowing in other states like Andhra Pradesh, Maharashtra and Rajasthan were higher on year. Acreage is down 2.2 per cent at 75.87 lakh hectares compared with 77.61 lakh hectares last year.

Sunflower sowing is down 10.3 per cent at 6.42 lakh hectares and niger seed down 31.6 per cent at 93,000 hectares. On the other hand, castor seed acreage is up 42.5 per cent at 7.18 lakh hectares and sesamum increased 1.3 per cent at 15.25 lakh hectares.

Cuba Trip's Payout: \$17 million Including Soybean

Cuban officials agreed to buy \$17 million in Nebraska agriculture products, including corn, wheat, soybeans and beef, over the next 18 months. This is truly a historic day for Nebraska agriculture. According to Cuban officials, it plans to sales of 25,000 tons of wheat, the same amount of corn, and possibly 15,000 tons of soybeans or soy meal in November.

Oil Meal Exports Witnesses Triple In July

India's exports of oilseed meal almost tripled in July from a year earlier, the Solvent Extractors Association of India said. Total exports of meal made from the oilseeds and soybeans and rapeseed in particular, rose to 227,025 metric tonne in the month from 75,950 tonne a year ago. Export of the commodity fell 18.5% to 945,300 tonne in the four months ended July 31 from a year earlier, the trade body that represents 800 oilseed processors in the country said. However, the overall export of oilmeal for the month of April to July 2005 is reported at 945,300 tonne compared with 1,159,850 tonne during the same period of last year ie down by 18%. During the first four months soybean meal export had shown decline trend and reduced to 506,650 tonne from 758,675 tonne, while rapeseed meal has more or less maintained the share. The groundnut meal exports declined to 42,575 tonne from 92,325 tonne, while castorseed meal exports has jumped to 99,750 tonne from 6,200 tonne and mainly exported to Taiwan and South Korea. Ricebran extraction export has also revived after long time and reported at 36,050 tonne compared to 5,800 tonne of last year. South East Asia is a major market for Indian oilmeals. To check the overall declining trend and promote oilmeals export from India; SEA is deputing a 15 members strong delegation sponsored by ministry of commerce to Taiwan, South Korea, Vietnam and Thailand during middle of August 2005, to meet the leading feed millers and importers of oilmeals.

WEATHER WATCH: (23.08.05)

MAIN FEATURES

Fairly widespread rain with isolated heavy rainfall has occurred over northeastern states, Sub-Himalayan West

Bengal & Sikkim, Bihar, East Uttar Pradesh, East Madhya Pradesh and Nepal. Chief amounts of rainfall (in cms) are: Cooch Behar-10, Allahabad-9, Khajuraho-8, Satara-7 and Pokhra Airport (Nepal)-9.

Axis of the monsoon trough passes through Ferozepur, Ambala, Bareilly, Varanasi, Gaya, Kharagpur thence east-southeast into northeast Bay of Bengal.

Yesterday's upper air cyclonic circulation over central Uttar Pradesh has become less marked.

The other upper air cyclonic circulation over Bihar and neighbourhood persists and extends upto mid-tropospheric levels

Under this scenario enhanced rainfall activity over northeastern States, Sub-Himalayan West Bengal & Sikkim, Bihar, north Madhya Pradesh and East Uttar Pradesh is likely to continue during next 2-3 days.

FORECAST VALID FOR NEXT 72 HOURS

NORTH : Rain/thundershowers likely at many places over East Uttar Pradesh and isolated in the rest region.

EAST : Rain/thundershowers likely at many places northeastern states, Bihar, Sub-Himalayan West Bengal & Sikkim, Jharkhand, East Madhya Pradesh and north Chhattisgarh and at a few places in the rest region.

Export of Oilmeals

COMMODITY WISE

India's oil meal exports of April - July '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)
July 2005	135,550 (19,250)	45,750 (54,400)	17,700 (2,300)	16,500 (---)	---	11,525 (---)
TOTAL	506,650 (758,675)	260,275 (296,850)	42,575 (92,325)	36,050 (5,800)	---	99,750 (6,200)
2004-05	1,861,325	588,805	121,475	43,056	---	70,750
2003-04	2,683,675	447,050	126,750	---	---	65,550
2002-03	1,333,318	455,533	15,225	---	---	92,445
2001-02	2,509,207	313,012	101,001	---	---	97,557
2000-01	2,182,142	62,968	18,609	---	---	10,992
1999-00	2,249,505	79,874	1,808	---	3,918	93,365
(F.Y)						

S.B.- Soybean Extns., R.S.- Rapeseed Extns., G.N.- Groundnut Extns., CST - Castorseed Extns, R.B.- Ricebran Extns
Source: SEA Data Bank

SOUTH : Rain/thundershowers likely at a few places over Andaman and Nicobar Islands and Coastal Karnataka and isolated in the rest region outside Tamil Nadu & Pondicherry and south Andhra Pradesh where weather may be mainly dry.

WEST: Rain/thundershowers likely at a few places over West Madhya Pradesh, Konkan & Goa and Madhya Maharashtra and isolated in the rest region outside West Rajasthan and Saurashtra & Kutch where weather may be mainly dry.

WARNING

Heavy to very heavy rainfall is likely at a few places in East Uttar Pradesh and Bihar. Isolated heavy rainfall also likely over northeastern States, Sub-Himalayan West Bengal & Sikkim and East Madhya Pradesh.

OUTLOOK for subsequent two days based on NCMRWF and other numerical weather products

Subdued rainfall activity is likely to continue over northwest India.

FOREX RATES (23.08.05)

Country/ Continent	Currency	Value in Rupees
SA	Dollar	43.67
European Union	Euro	53.38

PORTWISE

MONTH	BEDI	MUMBAI	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)
July 2005	21,400 (6,300)	41,050 (17,250)	--- (---)	118,250 (52,400)	29,825 (---)	16,500 (---)	--- (---)	--- (---)	227,025 (75,950)
TOTAL	75,675 (222,725)	178,250 (251,600)	--- (46,925)	554,500 (503,325)	106,000 (80,525)	30,125 (29,350)	750 (---)	--- (25,400)	945,300 (1,159,650)

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