

OILMEAL

19th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Remained Mostly Unchanged
- CBOT Soymeal Futures Slipped Further on Quiet Trade
- Latest USDA Report

COMMENTARY

DOMESTIC MARKET

Soy meal

The market sentiment for soymeal witnessed remained almost unchanged in most of the places except Kandla, Mumbai and Vizag today as compared to last day due to Raksha bandhan. The maximum market remained closed today. The soymeal prices slipped further in Vizag, Mumbai and Kandla. The main factor behind this sentiment is mainly for lack of demand from poultry industry and also poor global demand and also released the stock by the stockists. The futures market at the NCDEX maintained its downtrend sentiment today also.

Plant delivery quotes of Soy seeds witnessed unchanged position today as compared to last day and traded at Rs 1245 per qtl in Indore while soymeal in physical market has been traded at Rs.8500-9000 per MT, as per quality. FOR quotes remained at Rs 9200-9300 per MT in Kandla in jute bags, FAS has been put at \$ 217-218 per MT.

India's soymeal 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)	
	18.08.05	19.08.05
Indore	8500-9000	8500-9000
Satna/Morena	8500	8500
Nanded	8800	8800
Nagpur (42-43%)	8700-8800	8700-8800
Latur	8800	8800
Sangli	-	-
Dhulia/Jalna	8600-8900	8600-8900
Kota	8800	8800
Kandla	9200	9200
Mumbai	9350-9400	9450
Vizag	9500	9400

Soy Meal Vessel Report (19.08.05)

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. Interocean agents is handling the vessel. The port is expecting 'IKI' to load 13,600 MT of SBM to Japan. The vessel will be handled by JM Baxi agents.

NCDEX Soy meal Futures price (19th August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sep	8450.00	8600.00	8202.00	8380.00	-70.00
Oct	8700.00	0.00	0.00	8700.00	0.00

Rape/ Mustard meal

The market sentiment for rapeseed/mustard meal also showed unchanged position today due to the market remained closed at most of the places for Raksha Bandhan. The market demand was poor. The demand in the market is expected to be firm and continue the trend in the coming week.

In Shivpuri/ Morena, it was traded at Rs.4450per MT; Kota at Rs.4350-4400 & Barah at Rs. 4350 per MT, which was remained range bound with slight weak 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 groundnut meal market also showed the same trend as rape/mustard meal market and it remained almost unchanged today as against of previous day. In the coming days the prices may remain within the range and later on will be comfortable.

GN extraction in Junagarh, Rajkot has been quoted at Rs 6450-6460 for 40% protein and at Dhulia market there was no report for today.

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 Slipped Further on Quiet Trade

Soymeal futures at the Chicago Board of Trade (CBOT) slipped further and ended marginally lower as the absence of fresh fundamental news, where as Soybean futures ended moderately lower on a choppy two-sided session Thursday, quietly falling to session lows down the stretch, and unable to sustain early market strength. November soybeans ended 4.5 cents lower at \$6.203, December soybean meal settled \$0.70 lower at \$193.10 a short ton, while December soybean oil ended 3 points lower at 22.81 cents a pound.

Soybean futures floated lower after trading on either side of unchanged levels during the day. Technical short covering and commercial buying combined to push futures to a new high for the week.

December oil share advanced to 37.13%, and the November/December crush was at

55.5 cents. The market has essentially moved from volatile action to breather form. The market is also waiting for a clearer picture of yield and production potential.

Ahead of the open, U.S. Department of Agriculture said 2004-05 marketing-year weekly export sales for soybeans were 150,900 metric tons. The 2005-06 marketing-year sales totaled 275,000 tons. Trade estimates ranged from 100,000 to 200,000 tons.

CBOT Soybean Futures as on 18th August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	191.6	191.6	193.0	190.8	-0.7	190.9
Oct'05	191.5	192.0	193.3	191.0	-0.3	191.2

CBOT remained closed on Saturday and Sunday

China Soybean Prices Stable

Market prices for soybean in China witnessed stable today as compared to previous day's closing price. Most of the places showed this view, however a slight shortfall of RMB 10 per MT was noticed in Shandong region.

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.

USDA Latest Export Sales Report on Soybean

According to the latest report of USDA that the net sales of 52,400 MT soybean cake and meal were 35 percent above the previous week, but 14 percent under the prior 4-week average. The primary buyers were Mexico (26,200 MT), Venezuela (12,000 MT), Canada (9,700 MT), and Jamaica (5,900 MT). Reductions were reported for Australia (6,100 MT), unknown destinations (2,500 MT), and Guatemala (2,000 MT). Net sales of 9,200 MT for delivery in 2005/06 were mainly for Mexico (8,000 MT). Exports of 74,500 MT were 26 percent above the previous week, but 11 percent under the prior 4-week average. The primary destinations were Canada (20,300 MT), Mexico (19,200 MT), New Zealand (9,700 MT), Japan (8,600 MT), and Colombia (8,200 MT). (This summary is based on reports from exporters for the period August 5-11, 2005.)

WEATHER WATCH: (19.08.05)

MAIN FEATURES

Western end of the axis of monsoon trough remains close to the foothills of Himalayas and eastern end passes through Lucknow, Gaya, Dhanbad, Balasore and thence southeastwards into Eastcentral Bay of Bengal. Under these conditions the rainfall activity over northeast India is likely to remain subdued during next 2-3 days. During past 24 hours fairly widespread rainfall with scattered heavy to very heavy rainfall has occurred over Assam. Fairly widespread rainfall has also occurred over East Uttar Pradesh and Chhattisgarh. There have been reports of heavy to very heavy rainfall over parts of Nepal adjacent to Bihar & East Uttar Pradesh. During past 24 hours Guwahati & Silchar in Assam have reported 14 & 12 cm rainfall respectively. Pokhara airport and Simra airport in Nepal have reported 17 & 9 cm rainfall respectively.

Yesterday's upper air cyclonic circulation extending upto 0.9 km above sea level over southeast Uttar Pradesh now lies over northeast Uttar Pradesh and adjoining Bihar.

The upper air cyclonic circulation over Gujarat & neighbourhood persists and is now seen between 2.1 & 3.1 km above sea level only. The upper air cyclonic circulation over north Bay of Bengal now lies over northwest Bay of

Bengal and adjoining coastal Orissa extending upto mid-tropospheric levels.

FORECAST VALID FOR NEXT 72 HOURS

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

EAST : Rain/thundershowers likely **at many places** in the region.

SOUTH : Rain/thundershowers likely **at many places** over Coastal Karnataka **at a few places** over Kerala and Andaman and Nicobar Islands and **isolated** in the rest region.

WEST : Rain/thundershowers likely **at a few places** over Konkan & Goa, Madhya Maharashtra and Vidarbha and **isolated** in the rest region.

Export of Oilmeal

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 (F.Y)	2,249,505	79,874	1,808	---	3,918	93,365

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)
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)	---	554,500 (503,325)	106,000 (80,525)	30,125 (29,350)	750 (---	---	945,300 (1,159,650)

WARNING

Isolated heavy rainfall likely over Northeastern States, Sub-Himalayan West Bengal & Sikkim, Bihar, Uttaranchal and East Uttar Pradesh.

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

Subdued rainfall activity likely over northwest India.

FOREX RATES (19.08.05)

Country/ Continent	Currency	Value in Rupees
SA	Dollar	43.58
European Union	Euro	53.01

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