

## OILMEAL

10<sup>th</sup> August 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Remained Volatile on Speculation
- CBOT Soyoil Remained Down amidst Rain
- Latest Oilseeds Sowing Showing a Downfall

### COMMENTARY

#### DOMESTIC MARKET

##### Soy meal

The soymeal market showed a huge volatility. The market does not have enough demand support. Though the market opened higher but later on collapsed down describing the weakness. At NCDEX, the August soymeal future contract showed similar trends. The trading in the market is showing some turmoil.

Plant delivery quotes of Soy seeds remained in the range of Rs 1265 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	8650
Nanded	8800
Nagpur (42-43%)	8900
Latur	8800
Sangli	-
Dhulia/Jalna	8900-9100/8900-8950
Kota	9000
Kandla	9500
Mumbai	9700-9650
Vizag	9600

#### Soy meal vessel report (10.08.05)

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 (10<sup>th</sup> August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8850.00	9001.00	8700.00	8790.00	-60.00
Sep	8950.00	8850.00	8800.00	8825.00	-125.00

#### Rape/ Mustard meal

The sluggishness prevailed in the market and was following similar trends of the last few days. The millers are staying away from the market and that is why the demand in the market is yet to pick up. The weakness in other oilmeals is affecting the rapemeal market.

In Shivpuri/ Morena, rates remained at Rs 4450 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 **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 Soyoil Remained Down amidst Rain

Soybean futures on the Chicago Board of Trade (CBOT) witnessed a downtrend movement on Tuesday amidst beneficial rains in dry areas of the soybean belt sent buyers running for cover. November soybeans closed 18 cents lower at \$6.528; December soybean settled 3.70 lower at \$205.90 a short ton; and December soyoil ended 59 points lower at 23.14 cent a pound. The rains forecasted for the Midwest would be a definite benefit to soybean crops heading through its critical pod filling stage, and could produce valid improvements in yields if the rains emerge, according to analysts. South American soybean futures also showed a downward trend. The September futures settled 19 cents lower at \$6.78. Soy product futures also following soybeans and sliding to two-month lows due to technically inspired speculative selling pressure. The market remained weak due to the absence of any fresh supportive fundamental news, technical weakness and unfavorable weather. December oil share ended at 35.98%, and the November/December crush finished at 54.75 cent.

### CBOT Soybean Futures as on 9<sup>th</sup> August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	211.7	208.5	209.0	207.0	-4.3	207.4
Oct'05	209.6	204.0	206.7	203.5	-4.1	205.5

CBOT remained closed on Saturday and Sunday

## 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.

### Export of Oilmeal

Indian Agribusiness Systems Pvt. Ltd.

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: (10.08.05)

### 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.

## Forex Rates (10.08.05)

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.53
European Union	Euro	53.90

## 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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