

OILMEAL

18th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Remained Mostly Down
- CBOT Soymeal Remained Down on Two- Side Trade
- Latest Kharif Sowing Progress

COMMENTARY DOMESTIC MARKET

Soy meal

The market sentiment for soymeal witnessed a range bound with stable undertone in most of the places except Kandla, Mumbai and Vizag today as compared to last day. The soymeal prices remained weak in these three places. The main factor behind this sentiment is mainly for lack of demand from poultry industry and also poor global demand. The futures market at the NCDEX maintained its downtrend sentiment today also.

Plant delivery quotes of Soy seeds witnessed slight strong 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	17.08.05
Indore	8500-9000	8500-9100
Satna/Morena	8500	8650
Nanded	8800	8800
Nagpur (42-43%)	8700-8800	8700-8800
Latur	8800	8800
Sangli	-	-
Dhulia/Jalna	8600-8900	8800-9100
Kota	8800	8850
Kandla	9200	9300
Mumbai	9350-9400	9550
Vizag	9500	9500

Soy Meal Vessel Report (18.08.05)

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. JM Baxi agents will handle the vessel.

NCDEX Soy meal Futures price (18th August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8223.00	8250.00	7925.00	7925.00	-298.00
Sep	8386.00	8300.00	8300.00	8300.00	-86.00

Rape/ Mustard meal

The market sentiment for rapeseed/mustard meal market showed a range bound with weak undertone today as compared to last day. 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 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 Remained Down on Two- Side Trade

Chicago Board of Trade (CBOT) soymeal futures witnessed downtrend direction on Wednesday on grinding out losses after a two-sided session, keeping pace with the directionless action in soybeans where as soybean futures showed a mixed sentiment after a choppy trade. November soybeans ended 0.25 cent lower at \$6.248, December soymeal settled \$1.00 lower at \$193.80 a short ton, while December soyoil ended 32 points higher at 22.84 cents a pound.

The market struggled to find lasting momentum with technical weakness and bearish near-term weather outlooks applying pressure, while spillover strength from soyoil and corn futures managed to generate support, according to the analysts.

The U.S. Department of Agriculture is scheduled to release its weekly export sales report on Thursday. Analysts anticipate commitments in the range of 100,000 to 200,000 metric tons.

Soyoil futures ended firm, getting strongest support from the soy complex. Commercial buying served as the catalyst to ignite the upward theme, with speculative buying coming aboard to push prices firmly into positive territory. The market effectively stabilized from its recent drop amid ideas of exhausted downside momentum. The day's action firmed oil share and the crush. December oil share advanced to 37.08%, and the November/December crush was at 52.75 cents. Commodity funds were estimated buyers of 2,000 contracts.

CBOT Soymeal Futures as on 17th August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	192.7	192.7	194.2	191.4	-1.1	191.6
Oct'05	192.8	192.7	195.8	191.4	-1.3	191.5

CBOT remained closed on Saturday and Sunday

China Soymeal Prices Declined

It is witnessed that the soymeal prices remained poor in China. The prices declined further by RMB 10-50 MT in Qinhuangdao, Shandong, Jianqsu, and Kunming on Wednesday along with relative stability in most others areas.

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.

WEATHER WATCH: (18.08.05)

MAIN FEATURES

In past 24 hours, heavy rainfall occurred at isolated places over Sub-Himalayan West Bengal & Sikkim, Uttaranchal, East Rajasthan and Coastal Karnataka. Chief amounts of rainfall (cms.) are Dholpur-9, Jalpaiguri-8, Pantnagar-6, Karwar-6, kailasher-5.

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

The upper air cyclonic circulation extending upto 1.5 km above sea level over central Pakistan and neighbourhood has become less marked.

The upper air cyclonic circulation extending between 2.1 & 5.8 km above sea level over Gujarat & neighbourhood persists.

Western end of the axis of monsoon lies close to the foothills of Himalayas and eastern end passes through Kanpur, Gaya, Dhanbad, Balasore and thence southeastwards into Eastcentral Bay of Bengal.

FORECAST VALID 0830 HOURS IST OF 21ST AUGUST, 2005

NORTH : Rain/thundershowers likely **at many places** over Himachal Pradesh, Uttaranchal, East Uttar Pradesh and **at a few places** West Uttar Pradesh and Jammu & Kashmir and **isolated** in the rest region.

EAST : Rain/thundershowers likely **at many places** over Northeastern States, Sub-Himalayan West Bengal & Sikkim and Bihar and **at a few places** over the rest 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** West Madhya Pradesh, Gujarat Region, East Rajasthan,

Konkan & Goa, Madhya Maharashtra and **isolated** in the rest region.

WARNING

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

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

Subdued rainfall activity likely over northwest India.

FOREX RATES (18.08.05)

Country/ Continent	Currency	Value in Rupees
SA	Dollar	43.56
European Union	Euro	53.47

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	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

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)

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