

## OILMEAL

4<sup>th</sup> August 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Bearish
- CBOT Soymeal Down Sharply On Technical, Weather
- Latest Oilseeds Sowing Progress

### COMMENTARY

#### DOMESTIC MARKET

##### Soy meal

The soymeal market is showing weak trading in the market. The cash market showed bearish sentiments all the daylong. At NCDEX, the August and September soymeal future contract did show some weakness but later on August contract did show some improvement during the last few hours of trading. The soymeal futures at CBOT on Wednesday dropped sharply due to wetter weather ahead and technical selling.

Plant delivery quotes of Soy seeds remained in the range of Rs 1290 per qtl in Indore while soymeal in physical market has been offered at Rs 9100 - 9200 per MT, as per quality. FOR quotes remained at Rs 9650-9750 per MT in Kandla in jute bags, FAS has been put at \$ 226- 228 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	9100-9200
Satna/Morena	9400
Nanded	9200
Nagpur (42-43%)	9100
Latur	9100
Sangli	-
Dhulia/Jalna	----/9200
Kota	9250
Kandla	9750
Mumbai	9800
Vizag	-

##### Soy meal vessel report (04.08.05)

Loading of 6,000 MT of SBM is continuing at Mumbai Port on the vessel 'Lisa L' to Sharja. SDS agents is handling the

vessel. The port is loading 3,000 MT of SBM on the vessel 'Zale'. The vessel is being handled by Seagull agents.

##### NCDEX Soy meal Futures price (4<sup>th</sup> August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8919.00	8950.00	8950.00	8950.00	+31.00
Sep	9095.00	9005.00	9000.00	9000.00	-95.00

##### Rape/ Mustard meal

The rapeseed market is at a constant level and maintained the last day's tone. The demand in the market is yet to pick up. The floods and rains hit the trading and the rapemeal market is following the weakness of other oilmeals.

In Shivpuri/ Morena, rates remained at Rs 4500 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. 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.

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 Down Sharply On Technical, Weather

Soybean futures at the Chicago Board of Trade ended sharply lower on Wednesday, due to technical weakness and a possibility of beneficial rain for the Midwest creating a wave of speculative selling. Soymeal futures ended lower across the board, pressured by technical selling and also due to weakness in soybean futures. The absence of fresh fundamental news to support prices kept futures under pressure.

December soymeal settled \$6.70 lower at \$209.80 a short ton, and December soyoil ended 66 points lower at 24.72 cent a pound.

Choppy two-sided trade prevailed throughout the first half of the session, until weather outlooks, which delayed wetter conditions, in the dry areas of Midwest and technical selling pushed the prices into the negative territory. The weather sensitivity has created a volatile atmosphere in the soybean market. The weekly export sales report is expected to show bean sales between 25,000 and 80,000 tons, bean meal from 30,000 to 75,000 tons and bean oil at 0 to 6,000 tons. (One million metric tons of soybeans or wheat equals 36.74 million bushels.)

### CBOT Soymeal Futures as on 3<sup>rd</sup> August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	215.4	216.0	218.0	210.8	-4.6	210.8
Oct'05	214.4	215.0	216.5	209.3	-5.1	209.3

CBOT remained closed on Saturday and Sunday

### China: Soymeal Showed Stability; Downpour in China

The Chinese soymeal market showed some stability in major markets. There was no change in the procurement of soybean in major markets. The imported fishmeal weakened by RMB 50/MT in Guangzhou and Guangxi but in other places it remained steady.

China is still on pig disease alert and pork is low on menu, as fears stay high. China soaked in torrential downpour and rains set to pour across the country in the coming month.

It is expected that the growth will slow down by 9%. The consumer price rise is to be kept under 2.5 % by the Chinese Government. The Ministry announced that Yuan hit 4<sup>th</sup> straight high today.

In overseas markets, China's Dalian Commodity Exchange soybean futures settled mostly higher Wednesday in quiet trading, with light buying encouraged by an overnight rise in U.S. soybean futures, traders said. The benchmark January 2006 soybean contract rose CNY28 to CNY2,923 a metric ton, after trading between CNY2,911 and CNY2,935/ton.

## NEWS ANALYSIS

### Latest Oilseeds Sowing Progress

Kharif sowing (as on August 1, 2005) is down merely 2.45 per cent at 137.56 lakh hectares compared with 141.02

lakh hectares last year. This shortfall is largely due to delayed monsoon. The data says soybean sowing has gone up this year compared to last two years. This higher coverage is due to a better spread in Andhra Pradesh, Maharashtra and Rajasthan. The acreage in Madhya Pradesh is less on year, due to delayed onset and advancement of monsoon. However, experts are still hopeful of improvement in area acreage. Sowing in other states has been completed. Soybean acreage is now up 1.3 per cent at 70.40 lakh hectares compared with 69.52 lakh hectares last year.

A significant improvement in groundnut acreage has been seen within the last week. However, the coverage still is down 8.63 per cent on year at 45.40 lakh hectares. This is largely due to a lower acreage in Gujarat due to delayed onset of monsoons and heavy rains later. Other states that have seen lower acreage are Karnataka, Maharashtra and Tamil Nadu. While the sowing in Gujarat is over, it is still on in Karnataka and Andhra Pradesh. Sunflower sowing is down 30 per cent at 4.39 lakh hectares, sesamum is down 1.5 per cent at 11.70 lakh hectares and niger seed down sowing is down 7 per cent at 66,000 hectares. On the other hand, castor seed acreage is up 69 per cent at 5.02 lakh hectares following a rise in acreage in Andhra Pradesh, Gujarat and Rajasthan.

### WEATHER WATCH: (04.08.05)

#### Forecast valid for next 72 hours

**North:** Rain/thundershowers likely at many places over Himachal Pradesh and Uttarnchal and at a few places in the rest region.

**East:** Rain/thundershowers likely at most places over Chhattisgarh, Orissa and Jharkhand; at many places over East Madhya Pradesh and at a few places in the rest region.

**South:** Rain/thundershowers likely at many places over Coastal Karnataka and Telangana and at a few places in the rest region outside Coastal Andhra Pradesh, Rayalaseema and Tamil Nadu & Pondicherry where it may be isolated.

**West:** Rain/thundershowers likely at many places in Konkan & Goa, Madhya Maharashtra and West Madhya Pradesh and at a few places in the rest region. Increase in rainfall activity over Maharashtra after 5<sup>th</sup>.

### Warning

Heavy rainfall likely over Orissa Jharkhand, Madhya Pradesh, Konkan & Goa and Chhattisgarh.

### Outlook for subsequent two days

Increase in rainfall activity over Uttar Pradesh and northwest India.

### Forex Rates (04.08.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.51
European Union	Euro	53.66

## 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 - Castoseed 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)	--- (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)
TOTAL	45,675 (177,125)	91,575 (163,425)	--- (46,925)	315,600 (391,450)	46,275 (80,525)	6,875 (16,500)	750 (---)	--- (25,400)	506,750 (901,350)

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