

## OILMEAL

16<sup>th</sup> August 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Remained Stable
- CBOT Soymeal Futures Slumped to 3 Month Lows
- Latest Oilmeals Export Summary

### COMMENTARY

#### DOMESTIC MARKET

##### Soy meal

Soy meal market sentiment witnessed more or less stable undertone in most of the places, where as some reduction in prices was noticed in Mumbai, Kandla and Vizag due to less demand from poultry industry. But the futures market at the NCDEX remained very weak today

Plant delivery quotes of Soy seeds remained at downside position today as compared to last day and traded at Rs 1200 per qtl in Indore while soymeal in physical market has been offered at 8664-8670 per MT, as per quality. FOR quotes remained at Rs 9300 per MT in Kandla in jute bags, FAS has been put at \$ 221-222 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)	
	16.08.05	13.08.05
Indore	8800-9100	8700-9000
Satna/Morena	8600-8650	8600
Nanded	8750-8900	8750-8850
Nagpur (42-43%)	8850-8900	8850-8900
Latur	8750-8800	8750-8800
Sangli	-	-
Dhulia/Jalna	8850-9050	8800-9000
Kota	8800	8800
Kandla	9300	9500,(Jute Bgs)
Mumbai	9550	9650,(old pp Bgs)
Vizag	9500	9600(new pp Bgs)

#### Soy meal vessel report (16.08.05)

Mumbai Port is expecting 'Asha Ashik' to load 10,000 MT of SBM. Astral Freight agents will be handling the vessel.

#### NCDEX Soy meal Futures price (16<sup>th</sup> August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8805.00	8799.00	8510.00	8510.00	-295.00
Sep	8812.00	8620.00	8620.00	8620.00	-192.00

#### Rape/ Mustard meal

Rapeseed/mustard meal market remained stable today as compared to last day's prices. The market demand was on the higher side amidst tight supply in the markets. 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.4450-4500 per MT; Kota at Rs.4400 & Barah at Rs. 4400 per MT, which was remained stable 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 did not show any remarkable incident today. The market remained almost same today as against of previous day. 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.

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 Slumped to 3 Month Lows

Soymeal futures at the Chicago Board of Trade (CBOT) slumped to three-month lows along with soybeans, falling under the weight of speculative long liquidation. The absence of supportive features in the market opened the door for the losses, with technically inspired selling accelerating the losses once the most- active December

futures penetrated support at the psychological \$200.00 level. November soybeans ended 28.25 cents lower at \$6.198, December soybean meal settled \$11.30 lower at \$193.20 a short ton, and December soybean oil ended 53 points lower at 22.47 cents a pound. Soybean oil futures ended lower in unison with the weak tone circulating through the soybean complex Monday. However, the market emerged as the strongest link in the complex, gaining in oil share versus soybean meal. Soybean oil did not have the hefty long positions to liquidate after its stumbles of the past two weeks, analysts said. Nevertheless, futures slipped to three-month lows, with a higher-than-expected stocks figure in the monthly NOLA crush report applying light pressure, traders said. December oil share ended at 36.77%, and the November/December crush was at 52.5 cents.

#### CBOT Soybean Meal Futures as on 15<sup>th</sup> August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	207.6	207.0	211.0	203.0	-4.6	203.0
Oct'05	204.8	203.0	207.05	202.1	-2.6	202.2

CBOT remained closed on Saturday and Sunday

#### NEWS ANALYSIS

##### India Exports 15,000MT Soybean Meal to NOFI of S. Korea

It was reported that South Korea's Nonghyup Feed Inc., or NOFI, bought 15,000 metric tons of Indian soybean meal from trading firm Noble Group Ltd. (N21.SG) in a tender concluded Thursday, according to a Seoul-based trader. NOFI bought one cargo of soybean meal at \$258.50/ton, after cost and freight, scheduled to arrive in South Korea Dec. 20, the trader said.

##### Decline in Soybean Meal Prices Helped the Poultry Industry in Malaysia

Having been hit hard by SARS in 2003 and bird flu outbreaks in 2004, business is finally looking up for Malaysia's feed and poultry industries this year, an industry official said Monday. The poultry and feed industries have been doing well in the past eight months, according to Teh Wee Chye, managing director at Malayan Flour Mills Bhd (3662.KU), briefing Asian grain buyers at the second U.S.-Southeast Asia Agricultural Cooperators' Conference being held here. Malayan Flour Mills is the country's third largest feed miller in terms of production. The rapid carrying on of poultry exports to neighboring Singapore and decrease in the prices of imported corn and soybean meal have helped the local poultry and feed industry recover so far this year. Consumer sentiment has improved after Malaysia declared itself free of bird flu in July this year. Falling prices of grains and freight rates have helped feedmillers cut costs. Likewise, the Malaysian government's bid to transform the country into a halal food hub and boost domestic poultry production to reduce its food import bill are also likely to benefit the local poultry and feed industries, Teh said. The de-pegging of the Malaysian ringgit (to the U.S. dollar) will also assist in reducing the cost of raw material imports.

Because of consumer preference in this largely Muslim country, consumption of chicken and duck eggs and meat accounts for 47% of total livestock consumption in Malaysia.

#### WEATHER WATCH: (16.08.05)

##### MAIN FEATURES

Yesterday's upper air cyclonic circulation over north Orissa and adjoining Jharkhand now lies over Jharkhand and adjoining Chhattisgarh extending upto mid tropospheric levels tilting southwestwards with height. The system is likely to move in a west-northwesterly direction and may cause fairly widespread rainfall with isolated heavy falls over Madhya Pradesh during next 2-3 days.

A fresh cyclonic Circulation extending upto 2.1 km above sea level lies over central Pakistan and neighbourhood. The other cyclonic circulation over Jammu & Kashmir and neighbourhood has moved away Northeastwards.

The axis of monsoon trough has further shifted southwards and now passes through Ganganagar, Pillani, Agra, Kanpur, Daltonganj, Paradip and thence southwards into westcentral Bay of Bengal. Under this scenario, scattered to fairly widespread rainfall activity is also likely over Punjab, Haryana, Delhi, Uttaranchal, Himachal Pradesh, Jammu and Kashmir and West Uttar Pradesh.

##### FORECAST VALID FOR NEXT 72 HOURS

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

**EAST :** Rain/thundershowers likely at many places over Chhattisgarh and East Madhya Pradesh and at a few places over the rest region.

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

**WEST :** Rain/thundershowers likely at many places over West Madhya Pradesh, Konkan & Goa, Vidarbha, Madhya Maharashtra; and at a few places in Marathwada, East Rajasthan and Gujarat Region and at Isolated places in the rest region.

##### WARNING

Isolated heavy rainfall likely over Madhya Pradesh, Chhattisgarh, Coastal Andhra Pradesh, Jammu division of Jammu & Kashmir, Uttaranchal and Himachal Pradesh.

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

Increased rainfall activity likely to continue over central India.

#### Forex Rates (16.08.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.54
European Union	Euro	53.80

## 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)

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