

OILMEAL

20th August 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Remained Weak
- CBOT Soymeal Slipped Down on Technical Selling
- Latest USDA Report

COMMENTARY

DOMESTIC MARKET

Soy meal

Soymeal prices witnessed to abrupt downfall in domestic spot market today as against previous day. The most of the market showed this type of sentiment, where as Vizag, Kandla and Mumbai market showed range-bound with slight weak undertone today. Indore spot market witnessed steep downfall. The main factor behind this sentiment is mainly for lack of demand from poultry industry, poor global demand, released the stock by the stockists and less export in this time. The trading activity at the NCDEX at this weekend remained very poor.

Plant delivery quotes of Soy seeds witnessed unchanged position today as compared to last day and traded at Rs 1240-1245 per qtl in Indore while soymeal in physical market has been traded at much low of Rs.8300-8400 per MT, as per quality. FOR quotes remained at Rs 9200-9300 per MT in Kandla in jute bags, FAS has been put at \$ 216-217 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)	
	20.08.05	19.08.05
Indore	8300-8400	8500-9000
Satna/Morena	8500	8500
Nanded	8600	8800
Nagpur (42-43%)	8600-8700	8700-8800
Latur	8600	8800
Sangli	-	-
Dhulia/Jalna	8500-8600	8600-8900
Kota	8600	8800
Kandla	9200-9300	9200
Mumbai	9400-9450	9450
Vizag	9350-9400	9400

Soy Meal Vessel Report (20.08.05)

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. Interoccean 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 (20th August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sep	8380.00	8450.00	8450.00	8450.00	+70.00
Oct	8700.00	0.00	0.00	8700.00	0.00

Rape/ Mustard meal

The market sentiment for rapeseed/mustard meal remained same today as compared to last day due to stable demand. 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.4400 & Barah at Rs. 4350 per MT, which was remained range bound with stable 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 market sentiment for groundnut meal showed slight weak undertone today. In the coming days the prices may remain within the range and later on will be comfortable.

In Gujarat the GN extraction in has been quoted at Rs 5600/ MT for 40% protein at much lower position and in Maharashtra it remained at Rs.7600-7700/MT.

India exported around **17,700 MT** groundnut meals in June 2005 as compared to 2,300 MT in June 2004.

INTERNATIONAL MARKET

CBOT Soymeal Slipped Down on Technical Selling

Chicago Board of Trade (CBOT) soybean futures witnessed weak undertone on Friday, falling in unison with the defensive tone in soybeans, with technical selling a featured attraction. Most-active December slipped and settled below key support at the 200-day moving average of \$190.10. Soybean futures slipped to three-month lows on Friday, succumbing to speculative liquidation pressure attributed to favorable near- and longer-range weather outlooks. November soybeans ended 12.75 cents lower at \$6.075, December soybean settled \$3.70 lower at \$189.40 a short ton, and December soyoil ended 29 points lower at 22.52 cent a pound. Commodity fund selling was estimated between 6,000 and 7,000 contracts.

Beneficial rains moving through the Midwest and outlooks for another rain system to head into the region later next week was seen aiding the yield and production potential of the U.S. soybean crop. Weather remained as the bearish factor, with technical selling enhancing the price declines.

In soybean trades, Fimat and RJ O'Brien each bought 400 December and Kottke bought 300 December. Bunge Chicago sold 500 October, Cargill sold 200 September and 200 December, Fimat sold 500 December, Man Financial and Calyon Financial each sold 300 December, and Prudential Financial sold 700 December.

In soyoil trades, Bunge Chicago bought 300 September, Iowa Grain bought 500 December, and Man Financial, Citigroup and Rand Financial each bought 200 December. Bunge Chicago, Cargill Investor Services, Citigroup, Man Financial, Refco and RJ O'Brien each sold 200 December and Cargill sold 200 October.

CBOT Soybean Futures as on 19th August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	190.9	189.5	189.5	186.3	-4.1	186.8
Oct'05	191.2	190.0	190.0	186.3	-4.1	187.1

CBOT remained closed on Saturday and Sunday

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: (20.08.05)

MAIN FEATURES

During past 24 hours fairly widespread rainfall with isolated heavy falls occurred over Assam, West Bengal & Sikkim, Orissa, Chhattisgarh and East Uttar Pradesh. Scattered showers also occurred over Bihar, Jharkhand, Vidarbha, Coastal Karnataka, Konkan & Goa and Madhya Maharashtra. Chief rainfall amounts in Cms are: Sagar Islands, Bhubaneswar, Pantnagar & Mahabaleshwar-9 each, Bagraich & Varanasi-8 each, Passighat & Guwahati-7each, Dehardun, Jabalpur-6 each, Khajuraho-5.

Western end of the axis of monsoon trough continues to lay close to the foothills of Himalayas and eastern end passes through Kanpur, Rewa, Ranchi, Shanti Niketan and thence southwards into westcentral Bay of Bengal. Under these conditions the rainfall activity over northwest India is likely to remain subdued during next 3-4 days.

Yesterday 's upper air cyclonic circulation over northeast Uttar Pradesh and adjoining Bihar now lies over central Uttar Pradesh and extends upto 1.5 km a.s.l. The other upper air cyclonic circulation over northwest Bay of Bengal and adjoining coastal Orissa extending upto mid-

tropospheric levels now lies over Gangetic West Bengal and neighbourhood.

Under this scenario moderate rainfall with isolated heavy falls likely over northeastern States, Gangetic West Bengal, Orissa, Jharkhand, Bihar, Chhattisgarh, East Madhya Pradesh and East Uttar Pradesh during next 2-3 days.

The upper air cyclonic circulation over Gujarat & neighbourhood has become less marked.

FORECAST VALID FOR NEXT 72 HOURS

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

EAST : Rain/thundershowers likely **at most places** over northeastern States and **at many places** in the rest region.

SOUTH : Rain/thundershowers likely **at a few places** over Andaman and Nicobar Islands, Telangana and Coastal Karnataka 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

WEST : Rain/thundershowers likely **at many places** over West Madhya Pradesh; **at a few places** over Maharashtra & Goa and **isolated** in the rest region.

WARNING

Heavy to very heavy rainfall likely at a few places over northeastern States and **isolated** over Orissa, Chhattisgarh and East Madhya Pradesh. **Isolated heavy** rainfall also likely over Gangetic West Bengal, Bihar, Jharkhand and East Uttar Pradesh.

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

Enhanced rainfall activity likely to continue over northeastern States, east central India and Gangetic plains. Subdued rainfall activity likely over northwest India.

FOREX RATES (20.08.05)

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

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)
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)	--- (46,925)	554,500 (503,325)	106,000 (80,525)	30,125 (29,350)	750 (---)	--- (25,400)	945,300 (1,159,650)

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