

## OILMEAL

5<sup>th</sup> August 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Steady with a Weak Undertone
- CBOT Soymeal Ends Up on Consolidation
- USDA's Export Sales Highlights (July 22-28, 2005)

### COMMENTARY

#### DOMESTIC MARKET

##### Soy meal

The soymeal market is showing a reversal. The cash market improved due to some interest from the buyers in the morning session but later on again dropped down and lost the gains. At NCDEX, the August soymeal future contract opened firm and remained stagnant at that level. The soymeal futures at CBOT on Thursday reversed back on consolidation, as there was no fresh news to support the market.

Plant delivery quotes of Soy seeds remained in the range of Rs 1300 per qtl in Indore while soymeal in physical market has been offered at Rs 9300 per MT, as per quality. FOR quotes remained at Rs 9650-9750 per MT in Kandla in jute bags, FAS has been put at \$ 227- 229 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	9300
Satna/Morena	9250
Nanded	9100
Nagpur (42-43%)	9000
Latur	9100
Sangli	-
Dhulia/Jalna	----/9200
Kota	9300
Kandla	9800
Mumbai	9850
Vizag	-

#### Soy meal vessel report (05.08.05)

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

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8950.00	8999.00	8999.00	8999.00	-49.00
Sep	9000.00	0.00	0.00	9000.00	0.00

#### 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 Ends Up on Consolidation

Soybean futures at the Chicago Board of Trade ended modestly higher on Thursday, consolidating Wednesday's sharp declines amid the absence of any fresh fundamental market news. Soymeal futures ended firm, bouncing back from Wednesday's losses. There was some resistance in the upward movement due to technical pressure from the market.

December soymeal settled \$2.50 higher at \$212.30 a short ton, and December soyoil ended 30 points lower at 24.42 cent a pound.

It was a thinly traded market, with prices moving within a narrow trading range for most of the day. The inability to clearly determine the crop damage proved to be an underlying support for the price movements. The price movements were clearly due to concerns over summer dryness in the Midwest and reports of light showers moving across key areas of the soybean belt overnight and Thursday afternoon keeping traders on edge.

(One million metric tons of soybeans or wheat equals 36.74 million bushels.)

### CBOT Soymeal Futures as on 4<sup>th</sup> August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	212.6	214.1	214.1	209.0	-3.6	209.0
Oct'05	211.1	211.1	211.1	207.0	-4.1	207.0

CBOT remained closed on Saturday and Sunday

### China: Soymeal Showed Stability; Downpour Continued

The Chinese soymeal market showed some stability in major markets. There was no change in the procurement of soybean in major markets and the port off take was around 72,370 MT. The imported fishmeal weakened by RMB 50/MT in Tianjin but in other places it remained steady.

The mortality is on the rise in China. 2 more cases of pig borne disease in Sichuan. New measures are being taken to control the epidemic. 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.

## NEWS ANALYSIS

### USDA's Export Sales Highlights (July 22-28, 2005)

Soybean Cake and Meal: Net sales of 72,700 MT were 18 percent under the previous week, but 16 percent above the prior 4-week average. The primary buyers were Venezuela (25,000 MT), Japan (24,900 MT), Canada (10,100 MT), and Mexico (6,200 MT). Sales of 2,700 MT for delivery in 2005/06 were for Canada. Exports of 77,700 MT were 15 percent below the previous week and 28 percent under the prior 4-week average. The primary destinations were Mexico (28,700 MT) and Canada (24,800 MT).

## WEATHER WATCH: (05.08.05)

### Forecast valid for next 72 hours

**North:** Rain/thundershowers likely at many places in the region.

**East:** Rain/thundershowers likely at many places in the region outside Bihar where it may be at a few places.

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

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

### Warning

Isolated heavy rainfall likely over Orissa, Madhya Pradesh, Chhattisgarh, Konkan & Goa, Vidarbha, Madhya Maharashtra, Himachal Pradesh, Uttarnchal, Haryana, Delhi and East Rajasthan.

### Outlook for subsequent two days

Increase in rainfall activity over Gangetic plains.

## Forex Rates (05.08.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.50
European Union	Euro	53.80

## 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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