

## OILMEAL

6<sup>th</sup> August 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Domestic Market Steady with Weak Undertone in Spot Market
- CBOT Soymeal Falls; Late Support
- China: Soymeal Stable; Torrential Downpour; Mortality on the Rise

### COMMENTARY

#### DOMESTIC MARKET

##### Soy meal

The soymeal market did show huge volatility during the week and ended the week at a new low at the spot market. The cash market showed bearish sentiments all the daylong. At NCDEX, the August soymeal future contract opened firm and remained stagnant at that level. The September soymeal future contract did show some weakness but later on did show some improvement during the last few hours of trading. The soymeal futures at CBOT on Friday dropped down further due to technical selling as there was a favourable weather condition prevailing in the Midwest.

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 9100 per MT, as per quality. FOR quotes remained at Rs 9650-9750 per MT in Kandla in jute bags, FAS has been put at \$ 228- 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	9100
Satna/Morena	9200
Nanded	9100
Nagpur (42-43%)	9000
Latur	9100
Sangli	-
Dhulia/Jalna	----/9000
Kota	9200
Kandla	9650
Mumbai	9700
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 (6<sup>th</sup> August)

	Prev Close Price	High Price	Low Price	Close Price	Change
Aug	8999.00	9020.00	9020.00	9020.00	+21.00
Sep	9000.00	9150.00	8910.00	9150.00	+150.00

#### 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 Falls; Late Support

Soybean futures at the Chicago Board of Trade ended lower on Friday, but well above earlier lows as during the end-of-the-day positions were squared to trim the market's early downfall. Soymeal followed similar trend and ended lower due to technical selling pressure.

December soymeal settled \$3.50 lower at \$208.80 a short ton, and December soyoil ended 50 points lower at 23.92 cent a pound.

The market was under intense pressure for most of the day from technical selling and speculative liquidation, but once there was exhaustive technical selling, futures were able to consolidate its losses, which happened in the morning session.

Private forecasters pointing to improved changes of cooler temperatures and more consistent precipitation to move into the Midwest by late next week into the middle of August provided the fundamental support for the early losses in the market.

In soymeal trades, Cargill, Cargill Investor Services, Fimat, Goldenberg Hehmeyer, Prudential Financial and UBS Securities were each light buyers. Cargill Investor Services sold 200 September and 300 December, Man Financial sold 500 December, Refco sold 1,500 December and Kottke sold 500 December.

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

### CBOT Soymeal Futures as on 5<sup>th</sup> August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	212.6	214.1	214.1	205.0	-1.7	210.9
Oct'05	211.1	211.1	211.1	203.5	-2.3	208.8

CBOT remained closed on Saturday and Sunday

### China: Soymeal Stable; Torrential Downpour; Mortality on the Rise

Chinese soymeal is stable except a rebound seen during the mid week. The other meals remained stable but the imported fishmeal witnessed a slid in the last two days of this week.

China is still on pig disease alert to prevent further spreading of the virus and pork is low on menu, as fears stay high. The mortality is on the rise in China. 2 more cases of pig borne disease in Sichuan. The vaccines for swine virus have been sent to Sichuan. New measures are being taken to control the epidemic. The bird flu has also spread to Russia's Tyumen region. It is expected that 2-3 typhoons might hit China in August for which the Government has stepped up precautionary measure. 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. The Ministry has announced that revaluation of Yuan will have little impact on agriculture in the country.

## 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: (06.08.05)

### 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.

**South:** Rain/thundershowers likely at a few places over Andaman & Nicobar Islands, Telangana, Karnataka and Kerala and isolated in the rest region.

**West:** Rain/thundershowers likely at many places in Maharashtra & Goa; at a few places over East Rajasthan and Gujarat Region and isolated in the rest region.

### Warning

Isolated heavy rainfall likely over northeastern States, Uttar Pradesh, Uttaranchal, Haryana including Chandigarh & Delhi, Punjab, Himachal Pradesh, East Madhya Pradesh, Chhattisgarh, Konkan & Goa, Madhya Maharashtra and Vidarbha,

### Outlook for subsequent two days

Increased rainfall likely over northeastern States, West Bengal & Sikkim, Bihar and Uttar Pradesh.

The ongoing rainfall activity over western Himalayan region & adjoining plains of Punjab & Haryana is likely to decrease.

Rainfall activity likely to increase over east central & adjoining north Peninsular India.

## Forex Rates (06.08.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.49
European Union	Euro	53.79

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

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