

OILMEAL

5th September, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Market Expecting Further Improvement

COMMENTARY

DOMESTIC MARKET

Soy meal

Soy meal prices witnessed range bound with steady sentiment today as compared to last day amid stable demand and supply. In Indore the prices remained stable. The market activities remained less today. At the NCDEX the September contracts improved at the last trading session as compared to openings of the day. The market is expecting some demand ahead in the domestic as well as from the abroad.

Plant delivery quotes of Soy seeds witnessed stable today as compared to last day and traded at Rs 1260-1265 per qtl in Indore while soy meal in physical market has been traded within a range of Rs.8500-8600 per MT, as per quality. FOR quotes remained at Rs 9350-9450 per MT in Kandla in jute bags, FAS has been put at \$ 217-218 per MT.

India's soy meal 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) | |
|-----------------|---------------------------|------------|
| | 5.09.05 | 03.09.2005 |
| Indore | 8500 | 8500-8700 |
| Shivpuri/Morena | 8650 | 8700 |
| Nanded | 9000 | 9000 |
| Nagpur (42-43%) | 8400-8800 | 8400-8800 |
| Latur | 9000 | 9000 |
| Sangli | - | - |
| Jalna/Dhulia | 8700-8800 | 8700-8800 |
| Kota | 8950 | 8950 |
| Kandla | 9400 | 9400 |
| Mumbai | 9500 | 9500 |
| Vizag | 9300 | 9300 |

Soy Meal Vessel Report (05.09.05)

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 (5th September'05)

| | Prev Close Price | High Price | Low Price | Close Price | Change |
|---------|------------------|------------|-----------|-------------|--------|
| Sept'05 | 8525.00 | 8525.00 | 8400.00 | 8525.00 | 0.00 |
| Oct'05 | 8746.00 | 0.00 | 0.00 | 8746.00 | 0.00 |

Rape/ Mustard meal

Today the rapeseed/mustard meal market remained stable due to stable demand and supply. However, the demand from poultry industry is to catch up and support the prices stable.

In Shivpuri/ Morena, it was traded at Rs.4600 per MT; Kota (not available) & Barah(not available)), 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 new kharif crop will hit the market in November and production is expected to be good. In the coming days the prices may remain within the range and later on will be comfortable. Groundnut meal market continued the steady trend and is expected to get a firm support from the retail end and millers and exporters.

In Rajkot, the GN extraction has been quoted for cash at Rs 6050/ MT and for credit at Rs.6300 for 40% protein at stable position and in Dhulia it remained at Rs.7600/MT.

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

INTERNATIONAL MARKET

CBOT remained closed on Sunday and it will be closed on Monday due to Labour Day.

CBOT Soy meal Futures as on 2nd September 2005 (Cents/pound)

| Months | Previous Settle | Open | High | Low | Change | Close |
|---------|-----------------|-------|-------|-------|--------|-------|
| Sept'05 | 184.5 | 184.0 | 184.2 | 182.3 | -0.4 | 184.1 |
| Oct'05 | 185.4 | 185.8 | 185.8 | 183.4 | -1 | 184.4 |

CBOT remained closed on Saturday and Sunday

USDA's Soymeal Export Report

Soybean Cake and Meal: Net sales of 61,700 MT were 19 percent below the previous week, but 3 percent above the prior 4-week average. The major buyers were Canada (16,800 MT), El Salvador (16,700 MT), Mexico (12,300 MT), Egypt (8,000 MT), and Japan (8,000 MT), including 6,000 MT switched from unknown destinations). Sales of 101,000 MT for delivery in 2005/06 were mainly for the Philippines (30,600 MT), Tunisia (25,000 MT), unknown destinations (23,000 MT), and Turkey (15,000 MT). Exports of 118,200 MT were 15 percent above the previous week and 50 percent over the prior 4-week average. The primary destinations were Japan (33,500 MT), Mexico (21,200 MT), Canada (21,100 MT), El Salvador (16,700 MT), and Guatemala (16,100 MT).

WEATHER WATCH: (05.09.05)

MAIN FEATURES

During last 24 hours, fairly widespread rains with isolated heavy rainfall have occurred over Tamil Nadu & Pondicherry, Karnataka, Kerala and Lakshadweep. Scattered rainfall has also occurred over Andhra Pradesh, Konkan & Goa, Madhya Maharashtra, Orissa, Chhattisgarh, East Madhya Pradesh and Northeastern States.

The rainfall in cms. are : Agathi-15, Thanjavur-10, Kochi-9, Bangalore-7, Thiruvanthapuram A.P.-6, Panambur-6, Aurangabad-5, Arogyavaram, Anantapur, Shirali and Sangli-4 each.

Morning's upper air cyclonic circulation over Telangana and neighbourhood now lies over North Interior Karnataka & neighbourhood and extends upto mid tropospheric levels tilting southwards with height. The trough running from this system to Southeast Rajasthan in the lower levels persists.

Increased rainfall activity is likely to continue over Sub-Himalayan West Bengal & Sikkim, northeastern states, Konkan & Goa and southwest Peninsula for next 48-hours with isolated heavy rainfall over Konkan & Goa, Sub-

Himalayan West Bengal & Sikkim, Karnataka, Kerala and Lakshadweep.

FORECAST VALID FOR NEXT 72 HOURS

NORTH

Rain/thundershowers likely at many places over Uttaranchal; at a few places over Uttar Pradesh and Himachal Pradesh and isolated in the rest region.

EAST

Rain/thundershowers likely at many places over northeastern states, Sub-Himalayan West Bengal & Sikkim, north Bihar and at a few places over Gangetic West Bengal and south Bihar and isolated over rest region.

SOUTH

Rain/thundershowers likely at many places over Andaman & Nicobar Islands, Karnataka, Kerala and Lakshadweep and at a few places in the rest region outside Interior Andhra Pradesh where it will be Isolated.

WEST

Rain/thundershowers likely at many places over Konkan and Goa and south Madhya Maharashtra and at a few places over north Madhya Maharashtra and Gujarat region and isolated over rest region.

Warning

Isolated heavy rainfall likely over Andaman & Nicobar Islands, Konkan & Goa, northeast States, Sub-Himalayan West Bengal & Sikkim, Coastal Karnataka, Kerala and Lakshadweep.

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

Rainfall activity over Peninsular India is likely to continue with increase in rainfall over Andhra Pradesh and Tamil Nadu.

Source: GOI (IMD)

FOREX RATES (05.09.05)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 43.84 |
| European Union | Euro | 54.94 |

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