

## OILMEAL

16<sup>th</sup> September, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Spot Prices Declined
- NCDEX Futures on a Lower Side

### COMMENTARY DOMESTIC MARKET

#### Soy meal

Soy meal prices witnessed a downward sentiment today in most of the places as demand is stable and plant maintenance work is in progress. In Indore the prices of DOC was 8400-8500. At NCDEX for September contract prices fell down and trading activity remained poor throughout the session period. The prices are expected to be range bound and with slightly weak sentiments in the coming days.

Plant delivery quotes of Soy seeds remained in same today as compared to last day and traded at Rs1220 per qtl. In Indore soymeal in physical market traded low within a range of Rs.8400-8500 per MT, as per quality. FOR quotes remained at Rs 9050-9150 per MT in Kandla in jute bags, FAS has been put at \$ 212-211 per MT.

India's soymeal exports totalled **112,575** tons in August 2005 compared with 17,325 tons in August 2004.

#### DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	15.09.05	16.09.05
Indore	8500-8600	8400-8500
Shivpuri/Morena	8300-8350	8300
Nanded	8700	8700
Nagpur (42-43%)	8400-8800	8800-8400
Latur	8700	-
Dhulia/Jalna	8550	8550-8600
Kota	8600-8625	8600
Kandla	9200	9160
Mumbai	9400	9400
Vizag	9300	9300-9400
Sangli	-	8900-9000
Datia	-	8550

#### NCDEX Soy meal Futures price (16<sup>th</sup> September'05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Sept'05	8460.00	8425.00	8420.00	8425.00	-35.00
Oct'05	8745.00	0.00	0.00	8745.00	0.00

#### Soy Meal Vessel Report (16.09.05)

Kandla Port is expecting 'Phuong Dong 2' to load 12,000 MT of SBM to Vietnam. Hind Shipping will be handling the vessel.

#### Rape/ Mustard meal

The rapeseed/mustard meal market remained same today as compared to last day by reason of reduced supply as most of the stocks are with NAFED. The market may remain range bound in the near term.

In Shivpuri/ Morena, mustard meal traded at Rs.4700 per MT; Kota 4450, market remained same when compared to previous day.

India exported **43,825** tons of rapemeal in August 2005 as compared to 33,325 in August 2005.

#### Groundnut meal

The market sentiment today also remained range bound today at Dhulia, following which the prices may remain range bound. Poultry demand is expected to move up and local consumption is expected to increase in near future. The kharif groundnut crop is expected to good in position due to rainfall, therefore the production likely to increase in this season.

In Rajkot, the GN extraction remained at Rs.6050/MT at stable position and in Dhulia it remained at Rs.7500/MT.

India exported around **15,100 MT** groundnut meals in August 2005 as compared to 8750 MT in August 2004.

### INTERNATIONAL MARKET

#### Soymeal Futures fall Sharply on Fund Selling

Soymeal futures at Chicago Board of Trade (CBOT) fell down sharply by reason of weaker than expected export sales and fund selling in soybeans.

Soymeal futures contract for December was near its 7 months low by \$3.80 at \$175.90 a short ton and soybean November futures contract ended 11.50 cents lower at \$5.68 ¼ against the prior expectation of a higher than expected weekly export sales of Soymeal. It actually was net 72400 tons against trade estimates of 75000 to 150000 tons. Funds sold a net 600 contracts. Another major reason for fall in Soybean and meal prices was favourable weather conditions for harvesting and higher than expected yields from Midwest area where production is usually less.

#### CBOT Soymeal Futures as on 15<sup>th</sup> September 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	177.0	177.4	176.0	173.1	-2.0	173.2
Oct'05	179.7	179.7	178.7	175.8	-1.8	175.9

CBOT remained closed on Saturday and Sunday

#### WEATHER WATCH: (16.09.05)

##### Chief Features

During past 24 hours, fairly widespread rainfall with heavy to very heavy rainfall have occurred over Uttar Pradesh and West Madhya Pradesh. Scattered light to moderate rainfall have also occurred over Orissa, Bihar, Jharkhand, Gujarat, Konkan & Goa, Coastal Karnataka and parts of Tamil Nadu. *Chief amounts of rainfall recorded (in cms) are: Lucknow-13, Bareilly-9, Jhalawar-9, Deesa-8, Imphal-7 and Delhi (Safdarjung)-2.*

Yesterday's depression over northeast Arabian Sea has now weakened into a well marked low pressure area at 0830 hours IST of 16<sup>th</sup> and lies over the same area. The system is likely to move in a northerly direction.

The well marked low pressure area over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh has re-intensified into a depression and now lies today at 0830 hours IST over southwest Uttar Pradesh with its center closed to Agra. The system is likely to move in a north-north westerly direction and weaken gradually.

Under the influence of above systems, fairly widespread rains with heavy to very heavy falls are likely over entire northwest India, Uttar Pradesh, Gujarat and Konkan & Goa.

Under the influence of upper air circulation, a low pressure area has formed over East Central Bay of Bengal. Associated cyclonic circulation extends upto mid-

tropospheric levels. System is likely become more marked and move in west-northwesterly direction and may cause heavy to very heavy rainfall over Orissa and Coastal Andhra Pradesh after 18<sup>th</sup>.

#### Forecast valid 0830 hours IST of 19<sup>th</sup> September, 2005

**NORTH:** Rain/thundershowers likely at most places over Haryana including Delhi & Chandigarh, Uttar Pradesh and Uttaranchal and many places in the rest region outside Jammu & Kashmir where it may be at a few places.

**EAST:** Rain/thundershowers likely at many places over Nagaland, Mizoram, Manipur & Tripura and at a few places over the rest region outside Bihar & Gangetic West Bengal where it may be isolated.

**SOUTH:** Rain/thundershowers likely at many places over Andaman & Nicobar Islands and at a few places over the rest region outside Tamil Nadu & Pondicherry, Andhra Pradesh & North Interior Karnataka where it may be isolated.

**WEST:** Rain/thundershowers likely at many places over Gujarat, Konkan & Goa, northwest Madhya Pradesh and Rajasthan and at a few places over the rest region.

#### Heavy Rainfall Warning

Heavy to very heavy rainfall likely at a few places over Himachal Pradesh, Uttaranchal, Haryana including Delhi & Chandigarh and West Uttar Pradesh. Isolated heavy rain also likely over Rajasthan, East Uttar Pradesh, Punjab, Gujarat, Konkan & Goa and Andaman & Nicobar Islands.

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

Decrease in rainfall over central and Northwest India. Increase in rainfall over east coast of India.

#### Source: GOI (IMD)

#### FOREX RATES (16.09.05)

Country/Continent	Currency	Value In Rupees
USA	Dollar	43.87
European Union	Euro	53.91

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