

OILMEAL

17th September, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Spot Prices moves Up
- NCDEX Futures Declines

COMMENTARY DOMESTIC MARKET

Soy meal

Soy meal prices witnessed an increased sentiment today in most of the places inspite of a stable demand and plant maintenance work is in progress. In Indore the prices of DOC was 8400-8500. Not much activity was seen in Maharashtra markets on occasion of Ganesh Visarjan. At NCDEX for September contract prices fell down and some trading activity was visible. The prices are expected to be range bound and with slightly weak sentiments in the coming days.

Plant delivery quotes remained same and Soy seeds traded at Rs1220 per qtl. In Indore soymeal in physical market traded in same 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 \$ 211-212 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) | |
|-----------------|---------------------------|-----------|
| | 16.09.05 | 17.09.05 |
| Indore | 8400-8500 | 8400-8500 |
| Shivpuri/Morena | 8300 | 8300 |
| Nanded | 8700 | 8700 |
| Nagpur (42-43%) | 8800-8400 | 8800-8400 |
| Dhulia/Jalna | 8550-8600 | 8550-8600 |
| Kota | 8600 | 8600 |
| Kandla | 9160 | 9160 |
| Mumbai | 9400 | 9400 |
| Vizag | 9300-9400 | 9300-9400 |
| Sangli | 8900-9000 | 8900-9000 |
| Datia | 8550 | 8550 |

The prices today remained same due to very less trade conducted in Spot market on occasion of Ganesh Visarjan in Maharashtra.

NCDEX Soy meal Futures price (17th September'05)

| | Prev Close Price | High Price | Low Price | Close Price | Change |
|---------|------------------|------------|-----------|-------------|---------|
| Sept'05 | 8425.00 | 8400.00 | 8375.00 | 8400.00 | -25.00 |
| Oct'05 | 8745.00 | 8400.00 | 8400.00 | 8400.00 | -345.00 |

Soy Meal Vessel Report (17.09.05)

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 witnessed same today as compared to last day due to 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. Trading activity was thin on occasion of Ganesh Visarjan.

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 same at Dhulia, Poultry demand is expected to move down. The kharif groundnut crop is expected to be in a good position due to rainfall, therefore in coming time prices may be range bound on a slightly weaker side. Trading activity was thin on occasion of Ganesh Visarjan.

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 Recovers on Technical Buying

Soymeal futures at Chicago Board of Trade (CBOT) recovered slightly following technical buying in Soybean futures.

Soymeal futures contract for December raised \$ 0.70 higher at \$ 176.60 a short ton as compared to previous days closing of \$175.90 a short ton. Soybean November futures contract ended 2.50 cents higher at \$5.71 ¼.

CBOT Soymeal Futures as on 16th September 2005 (Cents/pound)

| Months | Previous Settle | Open | High | Low | Change | Close |
|---------|-----------------|-------|-------|-------|--------|-------|
| Sept'05 | 173.2 | 174.4 | 174.4 | 172.9 | +0.3 | 173.5 |
| Oct'05 | 175.9 | 176.8 | 177.0 | 175.8 | +0.7 | 176.6 |

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (17.09.05)

Chief Features

During past 24 hours, widespread rains with isolated heavy falls have occurred over Uttar Pradesh, Haryana, Delhi, Uttaranchal, Gujarat, Konkan & Goa, and Andaman & Nicobar Islands. Chief amounts of rainfall recorded (in cms) are: Bareilly-27, Pantnagar-17, Bagraich-12, Ayodhya-11, Port Blair, Mahabaleshwar & Mandi-8 each, Haridwar-7, Delhi (Safdarjung), Chandigarh & Baroda-6 each, Tehri, Delhi (Palam) & Ambala-5 each, Dahanu, Porbander, Dwarka & Gorakhpur-4 each.

Yesterday's depression over southwest Uttar Pradesh has weakened into a low pressure area over West Uttar Pradesh and neighbourhood. Its associated upper air cyclonic circulation extends upto mid-tropospheric levels. Under this scenario the prevailing rainfall activity over plains of northwest India is likely to decrease considerably from today evening. However, enhanced rainfall will continue over Uttaranchal and Himachal Pradesh during next 24 hours.

Yesterday's well marked low pressure area over northeast Arabian Sea has moved northwards and weakened into a low pressure area and now lies over Gujarat state. its associated upper air cyclonic circulation extends upto mid-tropospheric levels. it will cause moderate rains with isolated heavy falls over Gujarat and Konkan & Goa.

The low pressure area over East Central Bay of Bengal has concentrated into a depression and now lies over northeast Bay of Bengal near Lat. 20° N and Long. 90.5° E with its

centre about 400 km of southeast of Balasore. The system is likely to intensify further and move in west-northwesterly direction. This may cause heavy to very heavy rainfall over Orissa and Gangetic West Bengal during next 2-3 days.

Forecast valid 0830 hours IST of 20th September, 2005

NORTH: Rain/thundershowers likely at many places over Himachal Pradesh, Uttaranchal, Haryana and Uttar Pradesh and a few places in the rest region. Rainfall likely to decrease further over the region from 18th.

EAST: Rain/thundershowers likely at many places over Nagaland, Mizoram, Manipur & Tripura, Gangetic West Bengal and Orissa and at a few places over the rest region. Rainfall will increase over eastcentral India from 19th.

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands; at a few places over north Coastal Andhra Pradesh and Coastal Karnataka and isolated in the rest region.

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

Heavy Rainfall Warning

Isolated heavy to very heavy rainfall likely over Uttar Pradesh, Himachal Pradesh, Uttaranchal, Gangetic West Bengal, Orissa, Konkan & Goa, Gujarat State and Andaman & Nicobar Islands.

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

1) Increase in rainfall over east central and adjoining peninsular India.

2) Further decrease in rainfall activity over Northwest India.

Source: GOI (IMD)

FOREX RATES (17.09.05)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 43.8350 |
| European Union | Euro | 53.6431 |

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