

## OILMEAL

2<sup>nd</sup> -8<sup>th</sup> October'05

### MAJOR ACTIVITY HIGHLIGHTS

- India's Oil Meal Exports data of April - September' 05
- All India Soybean Kharif Crop Estimate for '05
- Latest Weather Watch

### NEWS ANALYSIS

#### Export of Oilmeal Declined This Year (April to September'05)

As per the data generated by The Solvent Extractors Association of India (SEA) India's Oilmeal exports sales for April to September declined when compared to the export

sales for the same period during the last few years. The following table provides with the details relating to Oilmeal exports for April to September for the past few years.

**Export of Oilmeal (Extractions) from April to September '05 with comparative period of previous year (Qty. in M.T.)**

Month	S.B.EXT	R.S.EXT.	G.N.EXT	R.B.EXT.	S.F.EXT.	CST.EXT.	TOTAL
April 2005	99,250	90,900	12,950	---	---	17,800	220,900
	366,625	96,000	14,800	---	---	----	477,425
May 2005	156,100	69,650	3,025	6,875	---	50,200	285,850
	278,300	100,875	44,750	---	---	----	423,925
June 2005	115,750	53,975	8,900	12,675	---	20,225	211,525
	94,500	45,575	30,475	5,800	---	6,200	182,550
July 2005	135,550	45,750	17,700	16,500	---	11,525	227,025
	19,250	54,400	2,300	----	---	----	75,950
August 2005	112,575	43,825	15,100	5,033	---	11,325	187,858
	17,325	33,325	8,750	5,761	---	15,225	80,386
September 2005	102,675	31,025	8,500	---	---	15,950	158,150
	12,875	52,100	----	5,750	---	----	70,725
Total(Apr.-Sept.'05)	721,900	335,125	66,175	41,083	---	127,025	1,291,308
(Apr.-Sept.'04)	788,875	382,275	101,075	17,311	---	21,425	1,310,961
2004-2005(F.Y.)	1,861,325	588,805	121,475	43,056	---	70,750	2,685,411
2003-2004(F.Y.)	2,683,675	447,050	126,750	---	---	65,550	3,323,025
2002-2003(F.Y.)	1,333,318	455,533	15,225	---	---	92,445	1,896,521
2001-2002(F.Y.)	2,509,207	313,012	101,001	---	---	97,557	3,020,777
2000-2001(F.Y.)	2,182,142	62,968	18,609	---	---	72,919	2,336,638

## FUNDAMENTAL ANALYSIS

### INTERNATIONAL MARKETS

#### CBOT Soymeal Ended High

Chicago Board of Trade (CBOT) Soymeal futures yesterday ended higher as compared to the previous trading day. This was mainly due to unwinding of Soybean oil and Soybean spreads and on technical buying to some extent. Soymeal December contract settled higher by \$ 1.30 at \$168.60 a short ton and Soybean November futures contract remained unchanged at \$ 5.6425. However, Soyoil

December contract ended at 38 points lower at 23.66 cent a pound. Traders are looking ahead to next week's crop production report for any major change in prices. The meteorological department is expecting a dry weather in Midwest in the coming days, which is good for harvesting Soybeancrop.

#### CBOT Soymeal Futures as on 7<sup>th</sup> October '05

Months	Previous Settle	Open	High	Low	Change	Close
Oct'05	163.7	167.5	167.5	163.5	1.6	165.3
Nov'05	167.3	169.2	169.2	167.3	1.3	168.♣6

CBOT remained closed on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

Prices at soymeal spot market this week remained low by reason of increased supplies due to harvest of fresh soybean crop. Market remained weak due to stable demand for bean and Soyoil. Also fear of spread of bird flu in Indonesia seemed to be another reason for fall in demand for meal According to the trade sources some demand was expected from South Korea but not enough to improve prices.

Looking at the futures market, NCDEX soymeal futures in October and November contract no extensive trading was observed. First two days of the week witnessed no trading activity. However prices improved in October contract at the

weekend. NCDEX October contract closed at 8275.00 and November contract at 8250.00

Plant delivery quotes in Indore remained range bound and Soybean seeds traded at Rs1185 per qtl. In Indore soymeal in physical market traded low in the range of Rs.8000-8300 per MT, as per quality.

FOR quotes declined at Rs 8850-8900 per MT in Kandla in jute bags, FAS was at \$ 200-202 per MT

India's soymeal exports totalled 112,575 tons in August 2005 compared with 17,325 tons in August 2004. and declined in the month of September. It totalled around 102675 tons in September 2005 as compared with 12875 tons in September 2005.

#### NCDEX Soy meal Futures price (8<sup>th</sup> October 05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Oct'05	8100.00	8275.0	8275.0	8275.00	+175
Nov'05	8250.0	0.00	0.00	8250.00	0.00

#### Soy Meal Vessel Report (8.10.05)

Kandla Port is loading 16,000 MT of SBM on the vessel 'State of Nagaland' to China. Shantilal agents are handling the vessel. The port is expecting 'Elizaveta' to load 5,000 MT of SBM to Kuwait. The vessel will be handled by JM Baxi agents. Loading of 2,500 MT of SBM is expected at Mumbai Port on the vessel 'Indruwa Valley'. Sai Freight agents will be handling the vessel. Yang Quan' is expected at Jamnagar Port to load 14,250 MT of SBM to China. The vessel will be handled by Seacrest agents.

support price (MSP) of Rs. 1715 for the coming kharif crop. Arrival of mustard seed is also reported from some areas like Neewai and Sriganganagar.

In Shivpuri/Morena, it traded at Rs.4650 per MT; Alwar 4500, which remained same compared to previous day. India exported 43,825 tons of rapemeal in August 2005 as compared to 33,325 in August 2005 and a total of 31025 tons of rapemeal in September'05 as compared to 52100 tons in September 2005.

#### Rape/ Mustard meal

The Rapeseed/mustard meal market mostly remained range bound this week by reason of accumulation of stocks with NAFED. The prices for Mustard seed are expected to remain range bound. The Government has fixed a minimum

#### Groundnut meal

The groundnut meal market continued to remain range bound throughout the week. According to the traders, the new kharif crop is arriving in the spot markets. The crushing activities are to begin soon. In Saurashtra, the GN extraction has been quoted for Rs.5800 /MT for cash and Rs. 6000 for credit. India exported around 15,100 MT groundnut meals in August 2005 as compared to 8750 MT in August 2004 and a total of 8500 MT in September 2005.

## DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	1.10.05	8.10.05
Indore	8200-8800	8000-8400
Nanded	8300-8700	8400-8450
Jalna/Dhulia	8600-8800	8400
Kota	8500-8600	8450-8500
Kandla	9050	8800-8900
Mumbai	9300	8800
Vizag	9200	8900
Sangli	8600	8400

## WEATHER WATCH:

### Chief Features

During past 24 hours, light to moderate rain/thundershowers have occurred at a few places over Tamil Nadu & Pondicherry, Kerala, Lakshadweep, Andaman & Nicobar Islands and coastal Orissa.

The upper air cyclonic circulation over southeast Bay of Bengal persists and now extend upto 3.6 km a.s.l Under its influence a low-pressure area may form over south Bay of Bengal during next 24-48 hours.

This system is likely to result in scattered to fairly widespread rainfall over the south peninsula during next 2-3 days. Isolated heavy rainfall may also occur over Tamil Nadu and Kerala after 24 hours.

An upper air cyclonic circulation extending upto 1.5 km a.s.l. lies over Himachal Pradesh and neighbourhood. It may cause isolated rain/thundershowers over Himachal Pradesh and Jammu & Kashmir during next 24 hours.

The upper air cyclonic circulation over Tamil Nadu & neighbourhood has become less marked.

Convective clouds over parts of south & east central Bay of Bengal, south Andaman Sea and southeast Arabian Sea.

**Forecast valid 0830 hours IST of 11<sup>th</sup> October, 2005**

### Forex Rates

Country/ Continent	Currency	Value In Rupees
USA	Dollar	44.32
European Union	Euro	53.74

## USDA Weekly Export sales Highlights (For 23 - 29 September'05)

**Soybeans:** Net sales of 541,200 MT were 20 percent below the previous week. Major increases were reported for China (331,000 MT, including 56,000 MT switched from unknown destinations), unknown destinations (59,000 MT), Mexico (41,800 MT), Japan (25,000 MT), Singapore (25,000 MT), and Thailand (24,300 MT, including 25,000 MT switched from unknown destinations and cancellations of 700 MT). Exports of 206,000 MT were 6 percent below the week earlier, but one-third above the prior 4-week average. The primary destinations were Mexico (56,600

NORTH: Isolated rain/thundershowers likely over Jammu & Kashmir, Himachal Pradesh and East Uttar Pradesh. Mainly dry weather likely in the rest region.

EAST: Rain/thundershowers likely at a few places over coastal Orissa and isolated over northeastern States and West Bengal & Sikkim. Mainly dry weather in the rest region.

SOUTH: Rain/thundershowers likely at many places over Lakshadweep at a few places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry and Kerala and isolated in the rest region outside Telangana and north Interior Karnataka where weather may be mainly dry. Rainfall over Tamil Nadu & Pondicherry, Kerala and Coastal Andhra Pradesh is likely to increase from 10<sup>th</sup>.

WEST: Mainly dry weather is likely in the region.

### Heavy Rainfall Warning

Isolated heavy rainfall likely over Tamil Nadu and Kerala during next 36-72 hours.

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

Scattered to fairly widespread rainfall activity over south peninsula is likely to continue.

Source: GOI (IMD)

MT), China (56,000 MT), Thailand (24,300 MT), the Netherlands (21,300 MT), and Japan (17,100 MT).

**Soybean Cake and Meal:** Net sales of 16,200 MT were 64 percent below the previous week and 72 percent under the prior 4-week average. The major buyers were Mexico (10,400 MT) and Canada (5,700 MT). Sales of 98,800 MT for delivery in the 2005/06 marketing year (which began Oct. 1) were mainly for Canada (36,400 MT), unknown destinations (18,000 MT), Panama (16,300 MT), Guatemala (7,500 MT), and Egypt (7,000 MT). Exports of

62,200 MT were 54 percent below the previous week and 23 percent under the prior 4-week average. The primary destinations were Mexico (31,200 MT), Canada (20,900 MT), and Denmark (5,000 MT).

**Soybean Oil:** There were no significant sales reported during the week. Sales of 7,800 MT for delivery in the 2005/06 marketing year (which began Oct. 1) were for Mexico (6,500 MT) and Canada (1,300 MT). Exports of 3,900 MT were mainly for Mexico (3,600 MT).

### All India State wise area coverage and yield Estimates of Soybean during Kharif 2005.

Area in Lakh Ha. Yield in kg per ha, Production in lakh Metric tones

Name of the state	Year 2003			Year 2004			Year 2005		
	Area sown	Yield	Total production	Area sown	Yield	Total production	Area sown	Yield	Total production
Madhya Pradesh	40.908	1019	41.685	44.439	780	34.662	41.922	722	30.268
Maharashtra	15.598	1253	19.540	18.717	914	17.107	23.893	810	19.353
Rajasthan	5.269	1057	5.950	5.562	752	4.183	6.981	690	4.817
Andhra Pradesh	0.820	940	0.771	0.690	800	0.552	1.359	800	1.087
Karnataka	0.600	900	0.540	1.775	790	1.402	1.418	810	1.149
Chattisgarh	0.500	846	0.423	0.400	690	0.276	0.650	750	0.488
Rest of India	0.500	830	0.415	0.500	655	0.328	0.500	710	0.355
Total	64.554	1074	69.324	72.083	812	58.510	76.723	750	57.516

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