

OILMEAL

27th October, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Prices Remained Steady Today
- No trading in November Soymeal at NCDEX

COMMENTARY DOMESTIC MARKET

Soy meal

DOC spot market prices remained stable around its previous day's range at most of the places. DOC prices at Indore quoted in the range of Rs.8200-8400 per MT. The soymeal prices at Kandla port were slightly down by Rs 50 as compared to its yesterday's levels and were traded at Rs 9050 per MT. The bird flu in Europe and Asia have pressurised the demand, which in turn caused lower prices. More than 500 chickens and ducks were died in a week due to bird flu, it was revealed in 3rd outbreak of China report. Just after revealing this report China's Veterinary Bureau destroyed another 2487 poultry. The fears of bird flu is causing negative impact on feed demand and this impact on demand is pressurising the meal prices. India is estimated to have committed to export more than 600,000 tons of soymeal in the next three months, to Japan, Southeast Asian countries and surprisingly, China. China is said to have bought 100,000 tons of soymeal from India this year, because Indian soymeal is cheaper than those manufactured domestically using imported U.S. or South American soybeans.

Further as the crushing activity is increasing the supply is expected to increase. Increased supply in the absence of good demand will definitely hit the prices further until the export demand ignites. However, no trading activity was observed in November soymeal at NCDEX. FOR quotes were steady at Rs 9100-9150 per MT in Kandla in jute bags, FAS was at \$ 202-203 per MT.

India's soymeal exports totalled 102675 tons in September 2005 compared with 12875 tons in September 2004.

Soy Meal Vessel Report (22.10.05)

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.

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	26.10.05	27.10.05
Indore	8200-8400	8200-8400
Nanded	8000	7900-8000
Dhulia/Jalna	8200-8400	8100-8200
Kota	8250-8300	8250-8300
Nagpur	8300	8300

Kandla	9100	9050
Mumbai	9000	9025
Vizag(approx)	9100	9100
Sangli	8300-8400	8300-8400
Latur	8000	7900-8000
Morena/shivpuri	8400	8400

NCDEX Soy meal Futures price (27th October'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8600.00	8600.00	8600.00	8600.00	00.00
Dec'05	8700.00	8700.00	8700.00	8700.00	00.00

Rape/ Mustard meal

Rapeseed/mustard meal prices some fall as meal prices were subdued in general due to lower export demand. The GN an Mustard meal also affected by the general market sentiment and traded lower. It is expected to witness further bearishness in the coming days as crushing activity in groundnut and soybean will increase supply.

In Shivpuri/ Morena, mustard meal quoted slightly down at Rs.4500 per MT, at Alwar the prices dipped slightly by Rs 50 at Rs.4350 MT. Market is maintaining its stable sentiment. India exported 31025 tons of rape meal in September 2005 as compared to 52100 in September 2005.

Groundnut meal

Saurashtra Groundnut (45%) quotes were down slightly at Rs. 6250 for cash and Rs 6450 for credit. As the crushing activity has started to gear up the same is reflected in the prices. The prices of meal are going to be affected in coming time further. India exported around 8500 MT groundnut meals in September 2005.

INTERNATIONAL MARKET

CBOT Soymeal Ended Lower

December soymeal ended \$1.60 lower at \$169.30 a short ton, pressured by speculative selling, with concerns over the lowest export demand related to the spread of bird flu in Asia and Europe.

December soyoil ended 0.25 cents lower at 23.53 cents a pound. Soyoil futures stumbled lower Wednesday, amid weakness in the energy sector and technical selling.

November soybeans ended 6.25 cents lower at \$5.71.5 and January soybeans ended 6.75 cents lower at \$5.83.5.

Rumors of China buying Argentine soybeans and the absence of European buying in weekly export reports added to the bearish sentiment in soybeans futures. Moreover, concerns over the spread of bird flu in Asia and Europe and what impact it will have of soy meal demand caused a defensive mindset in the market as well.

However, concerns that South American soybean planting may be hampered by weather-related problems provided mild support to limit losses.

Analysts surveyed by Dow Jones Newswires anticipate the U.S. soybean crush for September to be 133.7 million bushels, up from the August figure of 130.3 million bushels because of good crush margins and the availability of supplies during September, analysts said in a survey.

U.S. Department of Agriculture is scheduled to issue its weekly export sales report 7:30 a.m. CDT Thursday. Analysts look for commitments in a range of 800,000 tons to 1,000,000 tons for soybeans, 100,000 to 150,000 tons for soy meal and 2,000 to 10,000 tons for soyoil.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	170.9	170.4	171.0	169.0	-1.6	169.3
Jan'06	172.5	172.0	172.8	170.6	-1.7	170.8

CBOT remained closed on Saturday and Sunday

WEATHER WATCH: (26.10.05)

Chief Features

The well marked low pressure area over southeast and adjoining southwest Bay of Bengal has concentrated into a depression and lies centred today morning at 0830 hrs IST near Lat 12 N /Long 84.5 E about 500 km east southeast of Chennai. The system is likely to intensify further and move in a northwesterly direction initially. Under its influence widespread rains with heavy to very heavy falls is likely over Coastal Andhra Pradesh, Rayalaseema and north coastal Tamil Nadu during next 2-3 days. Heavy rainfall also likely over south coastal Tamil Nadu and South Interior Karnataka for another 24- 36 hours. As the system moves northwestwards, the rainfall activity over Tamil Nadu and South Interior Karnataka is likely to ease and extend northwards along the east coast to coastal areas of Orissa and West Bengal.

The western disturbance as an upper air system over North Pakistan and neighbourhood persists. The induced cyclonic circulation over central Pakistan extending upto 2.1 km a.s.l. also persists. These systems may cause scattered light to moderate rain/snow over Jammu & Kashmir during

next 2 days. Subsequently the weather is likely to improve, resulting in fall in night temperatures over the state

Forecast valid 0830 hours IST of 29th October, 2005

NORTH : Light to moderate rain/snow likely at a few places over higher reaches of Jammu & Kashmir and isolated over rest Jammu & Kashmir, Himachal Pradesh during next 48 hours. Weather is likely to improve over Jammu & Kashmir after 48 hours leading to fall in night temperatures. Isolated rain/thundershowers are likely over Punjab. Mainly dry weather likely in the rest region.

EAST: Rain/thundershowers likely at a few places over coastal Orissa and isolated in the rest region outside Bihar, north Chhattisgarh & East Madhya Pradesh where weather may be mainly dry. Rainfall over coastal areas of Orissa and West Bengal is likely to increase from 27th.

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

WEST : Isolated rain/thundershowers likely over Vidarbha, Marathwada and southern parts of Madhya Maharashtra and Konkan & Goa. Weather will be Mainly dry weather is likely over the rest region.

Heavy Rainfall Warning

Heavy to very heavy rainfall likely at a few places over north coastal Tamil Nadu & Pondicherry and Coastal Andhra Pradesh. **Isolated heavy rainfall** is also likely over Andaman & Nicobar Islands, rest Tamil Nadu, South Interior Karnataka and Rayalaseema. **Isolated** heavy rainfall may also occur over Coastal areas of Orissa and West Bengal from 28th onwards.

ii) Squally winds with speed reaching 55-65 kmph likely along and off Tamil Nadu and Andhra Pradesh from tonight. State of sea will be rough to very rough. Fishermen are advised not to venture into the sea.

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

Rainfall activity over Tamil Nadu and Karnataka is likely to decrease and it may increase over Orissa, West Bengal and adjoining east central India.

Improvement in weather conditions over Jammu & Kashmir leading to fall in night temperatures.

Source: GOI (IMD)

FOREX RATES (27.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.94
European Union	Euro	54.52

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