

## OILMEAL

22<sup>th</sup> October, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Spot Prices dropped
- No trading activity in NCDEX Nov. Futures

### COMMENTARY DOMESTIC MARKET

#### Soy meal

DOC spot market prices dropped today at most of the places due to slack demand. In Indore the prices of DOC quoted in the range of Rs.8300-8500 per MT. The soymeal prices at Kandla port saw some more correction today amid speculative selling by some big market. Also bird flu factor is playing some role in reduced export demand. Buyers were nearly absent at Kandla port today. The may go further down if export demand remains diminished for long. The crushing activity has not ignited yet but is expected to improve. Once again there was no trading activity in November contract of soymeal at NCDEX. In Indore soymeal in physical market remained subdued and traded in the range of Rs.8300-8500 per MT, as per quality. FOR quotes were down at Rs 9350-9450 per MT in Kandla in jute bags, FAS was at \$ 209-212 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)	
	21.10.05	22.10.05
Indore	8500-8900	8300-8500
Nanded	8300	8100
Dhulia/Jalna	8200-8400	8200-8300
Kota	8600-8700	8450
Nagpur	8000-8600	8450
Kandla	9300	9200-9300
Mumbai	9200	9950-9100
Vizag(approx)	9400	9300
Sangli	8600	8400-8500
Latur	8300-8400	8300

Morena/shivpuri .... 8300

#### NCDEX Soy meal Futures price (22<sup>th</sup> October'05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8490.00	00.00	00.00	8490.00	00.00
Dec'05	8600.00	00.00	00.00	8600.00	00.00

#### Rape/ Mustard meal

Rapeseed/mustard meal prices didn't observe any significant change and remained range bound today. The market is expected to remain range as same in the coming days.

In Shivpuri/ Morena, mustard meal quoted same at Rs.4600 per MT, at Alwar the price was same at Rs.4400 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 improved slightly at Rs. 6300 for cash and Rs 6500 for credit. As the crushing activity is starting to gear up the prices of meal is going to be affected in coming time. However the arrivals and crushing activity is still dull causing prices to maintain its levels. India exported around 8500 MT groundnut meals in September 2005.

### INTERNATIONAL MARKET

#### CBOT December soymeal Ended Lower Thursday

December soymeal settled 30 cents lower at \$171.90 a short ton. This was 1.7 up from the low and down from the high. Soymeal futures ended weak Thursday copying losses in soybeans. The market lost most of the gains of yesterday on the face of increased harvest activity and fears of the bird flu. The lower weekly export sales also helped in downward move. Weekly U.S. soymeal export sales totaled 119,800 tons, down 71% from the week earlier. The U.S. weekly export sales were expected to be in the range of 125000-225000 MT. Cumulative sales have reached 20.7% of the USDA forecast as compared to 29.2% on average over the last five years.

CBOT November soybeans ended Wednesday down 4.25 cents at \$5.85

and December soyoil ended 33 points lower at 23.98 cents a pound.

Soyoil futures ended lower due to heavy speculative sales and disappointing weekly export sales data. Drop in crude oil prices tapped it further. Soybean oil sales were 1,300 metric tonnes as compared to trade expectations between 2,000-7,000 MT. Strong economic growth in China for the third quarter (up 9.4%) would provide some underlying support as China is the world's largest soybean importer.

Chicago Board of Trade soybean futures ended lower Thursday, due to speculative sales as losses in soyoil and poor weekly export sales data (for oil) weighed on soybeans. Even strong export sales data couldn't pull it up. The weekly U.S. soybean export sales were 888,700 metric tons, including sales of 477,500 metric tons to China.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	171.9	169.8	170.2	168.5	-2.5	169.2
Jan'06	173.6	171.2	171.8	170.5	-2.2	171.3

CBOT remained closed on Saturday and Sunday

## WEATHER WATCH: (22.10.05)

### Chief Features

Yesterday's upper air cyclonic circulation over Orissa and neighbourhood now lies over Jharkhand and neighbourhood extending upto 3.1 km a.s.l. persists. The trough in the middle troposphere nearly along Long 82 deg E and north of Lat. 20 deg N persists. Under their influence widespread rainfall with isolated heavy fall is likely over northeastern States during next 2-3 days. Widespread to fairly widespread rainfall is also likely over West Bengal & Sikkim, coastal Orissa, Jharkhand and Bihar with isolated heavy to very heavy falls over West Bengal & Sikkim and coastal Orissa during next 1-2 days.

The upper air cyclonic circulation over central parts of south Bay of Bengal now lies over coastal Tamilnadu and neighbourhood extending upto 3.1 km a.s.l. Under its influence fairly widespread rainfall with isolated heavy falls likely over Tamilnadu & Pondicherry, Kerala and Lakshadweep islands.

### Forecast valid 0830 hours IST of 25<sup>th</sup> October, 2005

**NORTH :** Rain/ thundershowers likely occur at a few places over East Uttar Pradesh during next 24 hours. Subsequently the rainfall activity will decrease significantly. Mainly dry weather likely in the rest region outside Jammu & Kashmir where scattered light rain/snow may commence from 24<sup>th</sup> onwards.

**EAST :** Rain/thundershowers likely at most places over northeastern states. Rain/thundershowers also likely at most places over West Bengal & Sikkim and coastal Orissa; at many places over Bihar and Jharkhand and at a few places in interior Orissa upto 24<sup>th</sup>. Rain/thundershowers may occur at isolated places over these regions thereafter.

**SOUTH :** Rain/thundershowers likely at many places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry, Kerala and Lakshadweep islands, at a few places over Coastal Andhra Pradesh and South Interior Karnataka and isolated in the rest region

**WEST :** Mainly dry weather is likely over the region.

### Heavy Rainfall Warning

Heavy to very heavy rainfall is likely at isolated places over West Bengal & Sikkim and coastal Orissa. Isolated heavy rainfall also likely over northeastern states, Andaman & Nicobar Islands, Lakshadweep, Kerala and Tamil Nadu & Pondicherry.

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

Rainfall activity over east and northeast India is likely to decrease and it will increase over south Peninsula.

A western disturbance is likely to affect Jammu & Kashmir from 24<sup>th</sup> onwards causing light to moderate scattered rain/snow.

Source: GOI (IMD)

### FOREX RATES (22.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.09
European Union	Euro	54.31

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