

## OILMEAL

10<sup>th</sup> -15<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. However the export sales are improving during last four months. The fall in total export sales during the six months was mainly due to lower export during first 3 months. The following table provides with the details relating to Oilmeal exports for April to September for the past few years.

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**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 Close High

Soymeal futures at Chicago Board of Trade (CBOT) remained slightly down yesterday. December soymeal contract closed down at \$176.5. This was \$5 lower from its high. The contract gained early on the back of supportive export sales then it reversed due to lack of funds presence. November soybeans contract at CBOT ended 1.25 cent higher at \$5.89.25 due higher than expected export sales and support from NOPA crush data. December soyoil at CBOT ended 14 points higher at 24.03 cents a pound on commercial buying and bio-diesel demand support.

Soybean meal sales came in at 177,700 metric tonnes, against trade expectations between 50,000-110,000.

Cumulative sales have reached 18.7% of the USDA forecast for the season, as compared to 26.8% on average over the last five years. Whereas weekly export sales for soyabean was slightly up at 684,900 metric tonnes, against expected 400,000- to 600,000 tonnes causing it to trade higher. The NOPA monthly crush report showed that the industry crushed 127.1 million bushels in September slightly up against trade expectations at 122-124 million bushels and 123.2 million bushels in August. . However, weather looks ideal for an acceleration of the crop harvest in the Midwest over the next week and with mostly dry conditions and much above normal temperatures there is little supply uncertainty expected

#### CBOT Soymeal Futures as on 14<sup>th</sup> October '05

Months	Previous Settle	Open	High	Low	Change	Close
Oct'05	175.0	175.5	175.8	174.4	0.3	175.3
Nov'05	177.6	178.0	178.7	176.3	-1.1	176.5

CBOT remained closed on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

Prices at soymeal spot market this week remained steady initially around Rs 8550 and then improved towards the end of the week, as arrivals were low. Initially the 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. However at the weekend rains affected the soybeans prices causing soymeal to gain some strength.

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

the weekend. NCDEX November contract closed at 8400.00 adding Rs 150 for the week.

In Indore soymeal in physical market traded steady in the range of Rs.8000-8300 per MT, as per quality.

FOR quotes improved at Rs 9150 per MT in Kandla in jute bags, FAS was at \$ 202-205 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 2004. the soymeal prices are expected to remain subdued in the coming week as crushing activity will improve.

#### NCDEX Soy meal Futures price (15<sup>th</sup> October 05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Oct'05	8700.00	0.00	0.00	8700.00	0.00
Nov'05	8305.00	8401.00	8400.00	8400.00	+95.00

#### Soy Meal Vessel Report (14.10.05)

'Yang Quan' has arrived at Jamnagar Port and continues to load 14,250 MT of SBM to China. The vessel is being handled by Seacrest 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.

DOC rates at different centers

#### 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 support price (MSP) of Rs. 1715 for the coming crop.

In Shivpuri/Morena, it traded at Rs.4600 per MT; Alwar 4400, 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 2004.

### 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 recent

rainfall delayed the arrivals causing some improvement in meal prices during the weekend. The crushing activities are to begin soon and will cause prices of Groundnut meal to fall. In Saurashtra, the GN meal has been quoted for Rs.5700 /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)	
	15.10.05	8.10.05
Indore	8200-8300	8000-8400
Nanded	8000-8200	8400-8450
Jalna/Dhulia	8300	8400
Kota	8400-8450	8450-8500
Kandla	9100	8800-8900
Mumbai	8800	8800
Vizag	9100	8900
Sangli	8300-8400	8400

### WEATHER WATCH: Chief Features

Yesterday's well marked low pressure area over southwest Bay of Bengal and adjoining areas of coastal Tamil Nadu now lies over southern parts of Rayalaseema and adjoining Karnataka & Tamil Nau. Associated upper air cyclonic circulations extends upto mid-tropospheric level. Under this scenario enhanced rainfall activity with heavy to very heavy falls is likely over Andhra Pradesh, Karnataka and Kerala during next 2-3 days. The rainfall activity over Tamil Nadu is likely to decrease after 24 hrs.

The low pressure area over southeast Arabian Sea persists but has moved slightly westwards.

The western disturbance over Jammu & Kashmir and neighborhood has moved away northeastwards. However another Western Disturbance as an upper air system lies over North Pakistan and neighborhood.. It may cause light to moderate scattered rain/snow over Western Himalayas during next 2-3 days.

#### Forecast valid 0830 hours IST of 16<sup>th</sup> October, 2005

**NORTH :** Rain/snow likely at a few places over higher reaches of Jammu & Kashmir and isolated over rest Jammu & Kashmir and Himachal Pradesh. Isolated rain/thundershowers also likely over Punjab. Mainly dry weather likely in the rest region.

**EAST :** Rain/thundershowers likely at a few places with isolated heavy showers over Chhattisgarh and Orissa. It may be isolated over Assam & Meghalaya, Gangetic West

### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.89
European Union	Euro	53.95

### USDA Weekly Export sales Highlights (For 30<sup>th</sup> Sep - 6<sup>th</sup> October'05)

Bengal & Sikkim, Bihar, Jharkhand and southeast Madhya Pradesh. Mainly dry weather likely in the rest region.

**SOUTH :** Rain/thundershowers likely at most places over Coastal Andhra Pradesh, Telangana and North Interior Karnataka; at many places over the rest region outside Andaman & Nicobar Islands and Lakshadweep where it may be at a few places. Rainfall over Tamil Nadu, south Karnataka, south Andhra Pradesh and Kerala is likely to decrease after 24 hrs.

**WEST :** Rain/thundershowers likely at a few places with isolated heavy showers over south Konkan & Goa, Vidarbha, Marathwada and south Madhya Maharashtra and isolated over rest Maharashtra. Mainly dry weather is likely in the rest region.

### Heavy Rainfall Warning

Heavy to very heavy rainfall likely at a few places over Telangana, Coastal Andhra Pradesh and North Interior Karnataka. Isolated heavy rainfall also likely over Rayalaseema, Coastal & South Interior Karnataka.

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

Rainfall activity over south peninsula is likely to continue with reduced intensity.

Light to moderate rain/snowfall also likely over Western Himalayan region.

**Source: GOI (IMD)**

**Soybeans** The USDA declared its Export Sales data for Soybean seed for the period September 30 to October 6 2005. Net sales of 684,900 MT were 27 percent above the previous week and 7 percent over the prior 4-week average. China (517,800 MT, including 173,000 MT switched from unknown destinations) and Japan (121,200 MT) were the major buyers, with smaller quantities to Taiwan (48,200 MT), Mexico (36,400 MT), and Singapore (25,000 MT). Decreases were reported for unknown destinations (111,000 MT). In addition, optional origin sales of 60,000 MT were reported for the Netherlands. Exports of 397,900 MT were 93 percent above the week earlier and two and one-fifth times the prior 4-week average. The primary destinations were China (227,800 MT), Mexico (73,400 MT), Taiwan (33,600 MT), Malaysia (24,500 MT), and Japan (17,700 MT).

**Soybean Cake and Meal** During the marketing year 05-06 net sales for soy meal were 173,600 MT. The main gainers were Canada, Mexico, Saudi Arabia, Turkey and Dominican Republic, corresponding figures for them were 81700 MT, 52200 MT, 13200 MT, 10000 MT and 9500 MT

respectively. A total backlog from previous period was 234,700 MT on Sep 30 at the end of the last marketing year, which was carried over to 2005-06. The exports figure aggregated to 49,900 MT. The main contributors to this figure were Cuba (16,500 MT), Egypt (16,500 MT), and Canada (10,200 MT). The accumulated exports for the year summed up to 6,020,600 MT, up 52% from previous year's 3,967,500 MT. Exports of 59,900 MT for Oct. 1-6 were mainly to Mexico (18,500 MT), Canada (16,400 MT), Saudi Arabia (8,200 MT), and Japan (7,100 MT).

**Soybean Oil:** Net sales of 3,200 MT for the 2005/06 marketing year (which began Oct. 1) were primarily for Canada (3,000 MT). A total of 21,300 MT in sales were outstanding on Sept. 30 (the end of the 2004/05 marketing year) and were carried over to the 2005/06 marketing year. Exports of 2,800 MT for Sept. 30 were mainly to Canada (2,100 MT). Accumulated exports of 429,300 MT were up 77 percent from the 241,900 MT exported during the prior year. Exports of 3,800 MT for Oct. 1-6 were primarily to Canada (1,700 MT) and Mexico (1,700 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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