

## OILMEAL

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

### MAJOR ACTIVITY HIGHLIGHTS

- Spot Prices Declined on Fresh Arrivals
- NCDEX October Contract Prices Unchanged

### COMMENTARY

#### DOMESTIC MARKET

##### Soy meal

Soy meal prices at the spot markets followed its declining trend today at most of the places. In Indore the prices of DOC traded lower in the range of Rs.8000-8300 per MT. In NCDEX futures no trading activity was visible in October contracts. At the NCDEX in November contract prices increased. Demand for Soymeal is stable, supply of Soya bean seed is reported from Madhya Pradesh around 30000 bags arrived of which 5000-10000 bags are of new soybean. The prices are expected to remain bearish for a few days. Prices at Kandla and Mumbai declined today. In the coming days more arrival is expected and crushing activities will increase.

Plant delivery quotes remained near about same and Soy seeds (new) traded in the range of Rs1160-1180 per qtl. and soy oil (old) in the range of Rs.1180-1190 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 \$ 202-204 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)	
	4.10.05	5.10.05
Indore	8100-8400	8000-8300
Nanded	8500	8500-8600
Dhulia/Jalna	8500-8600	8200-8500
Kota	8500	4500
Nagpur	8300-8700	8200-8500
Kandla	8900	8825
Mumbai	9000	8900
Vizag(approx)	9000	9100-9200
Sangli	8600	8500-8600
Datia	8500	8450
Latur	8400	-

##### NCDEX Soy meal Futures price (5<sup>th</sup> October'05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Oct'05	8350.00	0.00	0.00	8350.00	0
Nov'05	8105.00	8150.0	8150.00	8150.00	+45

##### Soy Meal Vessel Report (4.10.05)

Kandla Port is loading 16,000 MT of SBM on the vessel 'State of Nagaland' to China.

Shantilal agents is handling the vessel. 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.

##### Rape/ Mustard meal

The rapeseed/mustard meal market remained in the same range as compared to the previous trading day. No major activity was witnessed in the market. The market is expected to remain range bound in the coming days.

In Shivpuri/ Morena, mustard meal traded at the same price of Rs.4650 per MT, at Alwar the price was 4500 MT. Market remained similar to the previous trading day.

India exported **43,825** tons of rapemeal in August 2005 as compared to 33,325 in August 2005.

##### Groundnut meal

Saurashtra Groundnut (40%) traded at Rs.5700 for cash and Rs.6000 for credit. The prices may decline in the coming days as arrival of groundnut is reported to have started and crushing activities may begin soon. Also some arrival is reported in the markets of Andhra Pradesh and Karnataka.

India exported around **15,100 MT** groundnut meals in August 2005 as compared to 8750 MT in August 2004.

## INTERNATIONAL MARKET

### CBOT Soymeal Declines to Its February Low

Soymeal futures at Chicago Board of Trade (CBOT) ended sharply low on commercial and speculative selling and increased Soybean production thus resulting in greater crushing in turn increasing the supply of Soymeal. Soymeal futures contract for December settled at its lowest price since February this year by \$ 4.10 lower at \$166.70 a short ton and Soybean November futures contract ended 18.50 cents low at \$ 5.625. Soybean December ended 65 points lower at 24 cents a pound. The market came up with higher than expected yield report for the fall harvest and tight storage outlook retreating to the lower end. Fewer exports are expected this week due to China's holidays. The FDA this afternoon is to announce new feeding regulations to prevent spread of mad cow disease, which may increase feed consumption thus improving soybean prices.

### CBOT Soybean Futures as on 4<sup>th</sup> October 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Sept'05	167.3	165.0	165.0	162.7	-3.6	163.7
Oct'05	170.8	167.5	167.5	166.0	-4.1	166.7

CBOT remained closed on Saturday and Sunday

## WEATHER WATCH: (5.10.05)

### Chief Features

Southwest monsoon has further withdrawn from remaining parts of East Uttar Pradesh, Some parts of Bihar, Jharkhand and Chhattisgarh and some parts of East Madhya Pradesh. The withdrawal line passes through Raxaul, Motihari, Patna, Daltonganj, Pendra, Seoni, Khandwa, Surat 20(N/69 (E and 20(N/60(E).

During past 24 hours heavy to very heavy rainfall has occurred at a few places over Sub-Himalayan West Bengal & Sikkim and West Assam. Scattered rainfall also occurred over Kerala, Tamil Nadu and South Interior Karnataka. Chief amounts of rainfall (cms.) are : Dhubri & Cooch Behar-17 each, Jalpaiguri-12, Coimbatore-7, Chitradurga & Allapuzha-5 each.

Yesterday's low pressure area over Gangetic West Bengal has become less marked. However, the associated upper air cyclonic circulation extends upto 2.1 km a.s.l. Under its influence fairly widespread rainfall with heavy falls is likely over Sub-Himalayan West Bengal & Sikkim and Assam during next 1-2 days.

The upper air cyclonic circulation extending in the middle tropospheric levels over southeast Bay of Bengal now lies over southwest Bay of Bengal.

The other upper air cyclonic circulation over southeast Arabian Sea and neighbourhood persists and now extends between 1.5 and 4.5 km a.s.l.

The western disturbance as an upper air system over Jammu & Kashmir and neighbourhood has moved away eastwards.

### Forecast valid 0830 hours IST of 7<sup>th</sup> October, 2005

**NORTH:** Mainly dry weather is likely in the region.

**EAST:** Rain/thundershowers likely at many places over Western parts of Assam and Sub-Himalayan West Bengal & Sikkim and isolated over the rest region outside East Madhya Pradesh and north Chhattisgarh where weather may be mainly dry.

**SOUTH:** Rain/thundershowers likely at many places over Andaman & Nicobar Islands; at a few places over South Interior Karnataka, Tamil Nadu & Pondicherry, Kerala and Lakshadweep and isolated in the rest region outside Telangana and north Interior Karnataka where weather may be mainly dry.

**WEST:** Isolated rain/thundershowers likely over Konkan & Goa and Madhya Maharashtra. Mainly dry weather is likely in the rest region.

Isolated heavy rainfall likely over Andaman & Nicobar Islands, West Assam and Sub-Himalayan West Bengal & Sikkim.

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

1. Increase in rainfall activity is likely over south peninsula.
2. Dry weather conditions likely to continue over northwest & central India.

Source: GOI (IMD)

## FOREX RATES (5.10.05)

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.31
European Union	Euro	52.92

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