

## OILMEAL

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

### MAJOR ACTIVITY HIGHLIGHTS

- Spot Prices Improved
- NCDEX Nov. Futures Closed Higher

### COMMENTARY DOMESTIC MARKET

#### Soy meal

DOC spot market prices slightly improved at most of the places due to poor arrivals of soybeans. In Indore the prices of DOC quoted in the range of Rs.8500-8900 per MT. The soymeal prices at Kandla port saw a slight correction after yesterday's gain on the back of rumor that there was increased demand because of shipment to the china. But it became clear today that the demand was due to some local traders buying, according to trade sources. At present an estimated export demand is around 40,000 MT and till December the export orders are for around 1,00,000 MT according to trade sources. Also the arrivals of soybean are subdued due to stockists and this in combination with high demand has caused prices to go up at the domestic spot market. If the demand from China, Kuwait, Korea and Japan keeps coming this way the prices will remain high. The crushing activity has not ignited yet but is expected to improve. Finally there was some trading activity in November contract of soymeal at the NCDEX and it corrected its lag by adding Rs 225 at Rs 8490.

In Indore soymeal in physical market improved and traded in the range of Rs.8700-8800 per MT, as per quality. FOR quotes increased at Rs 9400-9500 per MT in Kandla in jute bags, FAS was at \$ 212-215 per MT.

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

#### Soy Meal Vessel Report (21.10.05)

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	20.10.05
Indore	8500-8900	8500-8700
Nanded	8300	8300-8400
Dhulia/Jalna	8200-8400	8400
Kota	8600-8700	8600-8700
Nagpur	8000-8600	8500-8600

Kandla	9300	9500
Mumbai	9200	9400
Vizag(approx)	9400	9500
Sangli	8600	8500-8600
Latur	8300-8400	8400
Morena/shivpuri	....	.....

#### NCDEX Soy meal Futures price (21<sup>h</sup> October'05)

	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8265.00	00.00	00.00	8490.00	225.00
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 maintained its stable sentiment from couple of days. India exported 31025 tons of rape meal in September 2005 as compared to 52100 in September 2005.

#### Groundnut meal

Saurashtra Groundnut (40%) quotes improved slightly at Rs. 5800 for cash and Rs 6100 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	172.2	170.5	171.9	170.3	-0.3	171.9
Jan'06	174	173.2	175.5	172.1	-0.4	173.6

CBOT remained closed on Saturday and Sunday

## WEATHER WATCH: (21.10.05)

### Chief Features

During past 24 hours heavy to very heavy rains have occurred at a few places over coastal areas of west Bengal and Orissa. Scattered moderate rains have also occurred over northeastern States. This enhanced rainfall activity is likely to extend to northeastern States during next 24-36 hours.

The upper air cyclonic circulation over Orissa and neighbourhood persists and now extends upto 3.0 km a.s.l. The trough in the middle troposphere now runs nearly along Long 82 deg E and north of Lat. 20 deg N. Under their influence fairly widespread rainfall is likely over

northeastern States, West Bengal & Sikkim, Coastal Orissa, Bihar and Jharkhand during next 2-3 days. Heavy to very heavy rains are likely over Orissa, West Bengal and northeastern States.

The feeble low pressure area over Coastal Andhra Pradesh and adjoining west central Bay of Bengal has become less marked. An upper air cyclonic circulation has formed over central parts of south Bay of Bengal.

**NORTH :** Rain/ thundershowers likely **at many places** over East Uttar Pradesh during next 24 hours. Subsequently the rainfall activity will decrease significantly. **Mainly dry** weather likely in the rest region.

**EAST :** Rain/thundershowers likely **at most places** over northeastern states and West Bengal & Sikkim; **at many places** over coastal Orissa, Bihar and Jharkhand **at a few places** in interior Orissa and **isolated** in the rest region.

**SOUTH :** Rain/thundershowers likely **at many places** over Andaman & Nicobar Islands; **at a few places** over Coastal Andhra Pradesh and coastal Tamil Nadu & Pondicherry and **isolated** in the rest region outside Telangana and North Interior Karnataka where it may be **mainly dry**.

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

### Heavy Rainfall Warning

**Heavy to very heavy rainfall** is likely **at a few places** over Gangetic West Bengal and coastal Orissa. **Isolated heavy rainfall** also likely over Sub-Himalayan West Bengal & Sikkim, northeastern states and Andaman & Nicobar Islands.

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

Rainfall activity likely over east and northeast India is likely to decrease and it may 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 (21.10.05)

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

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