

## OILMEAL

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

### MAJOR ACTIVITY HIGHLIGHTS

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

### COMMENTARY DOMESTIC MARKET

#### Soy meal

Soy meal prices at the spot market improved at most of the places due to improved export demand. In Indore the prices of DOC quoted in the range of Rs.8500-8700 per MT. There is good demand in international markets according to trade sources. The soymeal prices at Kandla port saw improvement and were at Rs 9500 per MT as compared to Rs 9350 per MT yesterday. The prices surged on the back of demand from China. At present an estimated export demand is around 40000 MT and till December the export orders are for around 100000 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, according to trade sources. The crushing activity is not prominent at the moment but is expected to improve.

In Indore soymeal in physical market improved and traded in the range of Rs.8500-8700 per MT, as per quality. FOR quotes increased at Rs 9350-9450 per MT in Kandla in jute bags, FAS was at \$ 208-212 per MT.

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

#### Soy Meal Vessel Report (19.10.05)

Kandla Port is loading 5,000 MT of SBM to Kuwait on the vessel 'Banglar Urmi'. Able Marine agents is handling the vessel.

'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

| Places | Ex-factory rates (Rs/ton) |           |
|--------|---------------------------|-----------|
|        | 19.10.05                  | 20.10.05  |
| Indore | 8400-8600                 | 8500-8700 |

|                 |           |           |
|-----------------|-----------|-----------|
| Nanded          | 8200-8300 | 8300-8400 |
| Dhulia/Jalna    | 8200-8400 | 8400      |
| Kota            | 8400-8500 | 8600-8700 |
| Nagpur          | 7900-8300 | 8500-8600 |
| Kandla          | 9350      | 9500      |
| Mumbai          | 9200      | 9400      |
| Vizag(approx)   | 9400      | 9500      |
| Sangli          | 8400      | 8500-8600 |
| Latur           | 8300      | 8400      |
| Morena/shivpuri | 8400      | .....     |

#### NCDEX Soy meal Futures price (20<sup>th</sup> October'05)

|         | Prev Close Price | High Price | Low Price | Close Price | Change |
|---------|------------------|------------|-----------|-------------|--------|
| Nov' 05 | 8265.00          | 00.00      | 00.00     | 8265.00     | 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 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. 5850 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 Closed Higher

December soymeal settled \$1.20 higher at \$172.20. CBOT soymeal futures trade has been shaky this week due to news of the spread of a deadly strain of bird flu across Eurasia. Russia said Wednesday it had detected a deadly strain of bird flu. Chickens are major consumers of protein-rich soymeal. However fears that dry planting conditions in Argentina, the world's top soymeal and soyoil exporter, has offset the bird flu fears.

CBOT November soybeans ended Wednesday up 4.75 cents and December soyoil ended 13 points lower at 24.31 cents a pound. The firm closing in soybeans was on the face of fears regarding dry planting conditions in Argentina. However after Wednesday's CBOT soy close, the Argentine government forecast a 4%-6% increase in this year's Argentine soybean plantings, in part because bad weather prevented many farmers from sowing corn or wheat. So this is creating mixed sentiments. Further the favorable conditions for good crop in key global producer Brazil limited the gains.

Soyoil futures ended lower as speculative sales offset commercial buying and

following a slight fall in U.S. energy futures Wednesday. Speculators bought CBOT soyoil futures this fall on ideas of increased U.S. usage of biodiesel fuel.

(Cents/pound)

| Months | Previous Settle | Open  | High  | Low   | Change | Close |
|--------|-----------------|-------|-------|-------|--------|-------|
| Dec'05 | 171.0           | 170.5 | 172.6 | 170.5 | 1.2    | 172.2 |
| Jan'06 | 172.8           | 172.2 | 174.4 | 172.2 | 1.2    | 174.0 |

CBOT remained closed on Saturday and Sunday

## WEATHER WATCH: (20.10.05)

### Chief Features

The feeble low pressure area over Coastal Andhra Pradesh and adjoining west central Bay of Bengal persists. Associated upper air cyclonic circulation now extends upto 2.1 km a.s.l. Under its influence scattered rainfall is likely over south Peninsula during next 48 hours.

The upper air cyclonic circulation over east-central Arabian Sea has become less marked.

A fresh upper air cyclonic circulation extending between 1.5 km & 3.6 km a.s.l. has formed over Orissa and neighbourhood. A trough in the middle troposphere runs nearly along Long. 78 deg E and north of Lat. 20 deg N. Under their influence enhanced rainfall with heavy to very heavy falls is likely over northeastern States, West Bengal & Sikkim and Coastal Orissa during next 2-3 days.

### Forecast valid 0830 hours IST of 18<sup>th</sup> October, 2005

**NORTH** : Rain/ thundershowers likely **at a few places** over East Uttar Pradesh and **isolated** over Himachal Pradesh and Uttaranchal. **Mainly dry** weather likely in the rest region.

**EAST** : Rain/thundershowers likely **at most places** over northeastern states, West Bengal & Sikkim and coastal Orissa; **at many places** over the rest region outside East Madhya Pradesh where it may be **isolated**.

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

**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, Bihar, Jharkhand, interior Orissa, Lakshadweep and Andaman & Nicobar Islands.

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

1. Moderate rainfall activity likely over northeast India.
2. Increase in rainfall activity over south Peninsula.

Source: GOI (IMD)

### FOREX RATES (20.10.05)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA                | Dollar   | 45.2            |
| European Union     | Euro     | 54.09           |

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.