

## OILMEAL

14<sup>th</sup> November, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Markets Witnessed some Downward Movements
- No Trading in November Soymeal at NCDEX

### COMMENTARY

#### DOMESTIC MARKET

##### Soy meal

Soymeal prices dropped down in most of the spot markets today. The soymeal markets remained subdued in the absence of new export demand recently, and in the same note the prices further fell today. December and November contract at NCDEX witnessed no trading activity today. DOC prices at Indore quoted marginally up in the range of Rs.8000-8300 per MT as per quality. The soymeal prices at Kandla port were also down at Rs 8850-8900 per MT. FOR quotes were at Rs 8950-9000 per MT in Kandla in jute bags, FAS was at \$ 195-197 per MT.

The export scene is still gloomy and no fresh contracts are seen to boost the market. The long tale of the bird flu is keeping on pressuring the markets as there is no sign of relief in this front. In the same line some Chinese buyers cancelled their contracts of soymeal import from India. This news had added some bitterness in already subdued market. The importers are asking for very low prices, around \$210 per MT including cost of freight, which is unacceptable to the Indian exporters causing halt in fresh deals. However, traders are expecting that this story will not hit the estimated export for the season of 2.5 million MT, as the lower demand on account of bird flu is a temporary phase of the market. The current situation for the meals is gloomy. As the demand is poor in the international markets and supply is waiting for its takers. We are on the verge igniting supply, as crushing activity will improve now onwards. Weather conditions are perfect for the harvesting of soybeans and the same is heading towards its completion. For the sake of meal prices we can only expect the export demand to rekindle. Until then the situation seems gloomy for the meals, as the crushing activity will improve only to increase the supply.

India exported 160250 MT of soymeal during October a huge increase from previous year's 18750 MT during same month. The exports of soymeal were up during last seven months at 882150 MT as compared to 807625 MT during same period of the previous year.

#### Soy Meal Vessel Report (14.11.05)

'Fu Wang' is expected at Kandla Port to load 12,000 MT of SBM. Able Marine agents will be handling the vessel. Loading of 13,200 MT of SBM is expected at the port on the vessel 'Tina Da' to Malaysia. Shantilal agents will be handling the vessel. Kandla Port is expecting 'IKI' to load

15,500 MT of SBM to Japan. The vessel will be handled by Taurus agents. 'Ever Power' is expected at the port to load 13,000 MT of SBM to Vietnam. Shantilal agents will be handling the vessel.

Loading of 1,500 MT of SBM is expected at Mumbai Port on the vessel 'Veesham'. Astarl Freight Forwarders will be handling the vessel.

#### DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	14.11.05	12.11.05
Indore	8000-8300	8200-8500
Nanded/Latur	7750-7850	.7800-7900
Dhulia/Jalna	8050-8200	8100-8400
Kota	8100-8200	8100-8200
Nagpur	7500 (40%) -7900	8100
Kandla	8850-8900	8950
Mumbai	8900	8950
Vizag(approx)	8900	8950
Sangli/Solapur	8300	8400
Morena/shivpuri	8300	8400

#### NCDEX Soy meal Futures price (14<sup>th</sup> November'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8400.00	00.00	00.00	00.00	00.00
Dec'05	8300.00	00.0	00.00	00.00	00.00

#### Rape/ Mustard meal

Rapeseed/mustard meal prices rose further to Rs 4800 per in Morena.. However, the prices were stable at Rs 4700 per MT in Alwar. As it is the period of depleting stocks as crushing activity in mustard has dropped and shifted towards the soymeal the rise in prices are obvious. India exported 37250 MT of rape meal in October 2005 as compared to 17300 MT in October 2004 an increase of 19950 Mt. However, R.S. meal export during the last seven months decreased slightly to 372375 MT as compared to corresponding period in previous year.

#### Groundnut meal

Saurashtra Groundnut (45%) quotes slip down slightly today to Rs 6400 per MT and GN 40% was traded at Rs

5900. The GN meal prices got hitting recently due to downward movements in soy meal prices. Further, supply of the soy meal is likely to increase with increase in crushing activities. India exported around 8825 MT groundnut meals in October 2005 increased from previous month's 8500 MT. However, the GN meal exports during last seven months were 75000 MT down as compared to previous year's 105525 MT during the same period.

## INTERNATIONAL MARKET

### CBOT Soy meal Ended Firm

December soy meal at CBOT ended strongly \$6.2 up at \$181.7 per Ton; which was 5.6 up from the low and 0.2 off the high. The rise was mainly backed by Thursday's gains and optimistic outlooks for the market due to the lack of any change in the USDA's ending stock projection despite higher production outlooks. Talks that China buying U.S. soybeans and profitable crush margin supported the prices. According to talks in the market, China bought around 12 cargos of soybean last week despite spread of bird flu in the Asian region. Some funds were net buyers in the soy meal futures. January soybeans ended 14 cents higher at \$6.015 per bushel, while December soy oil ended 3 points lower at 22.74 cent a pound. The buying support in January contract came from the commercial stopping of November soybean deliveries. Further the China's buying interest and strength in meals pulled the prices up. The oil futures remained subdued for the second day on bearish ending stock expectation from USDA report yesterday. According to USDA report Net sales of soy meal were 79,800 MT 74% above the week earlier. The major buyers were the Philippines 24,100 MT, the Dominican Republic 17,000 MT, Canada 15,600 MT, Mexico 15,200 MT, and Guatemala 14,000 MT. Exports were reported at 95,300 MT nearly 30% below the week earlier and 15% below the prior 4-week average. The primary destinations were the Philippines 25,000 MT, Mexico 25,000 MT, Canada 15,000 MT, Japan 10,000 MT, and the Dominican Republic 9,300 MT.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
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Dec'05	175.5	176.8	181.8	176.6	+6.2	181.7
Jan'06	176.6	178.8	182.8	178.0	+5.8	182.4

CBOT remained closed on Saturday and Sunday

## WEATHER WATCH: (14.11.05)

### Chief Features

The upper air cyclonic circulation over southwest Bay of Bengal persists and extends upto 1.5 km a.s.l. The upper air cyclonic circulation over southeast Arabian Sea also persists and extends upto 2.1 a.s.l. Under the influence of these systems, fairly widespread rains with isolated heavy falls are likely over Kerala and Lakshadweep during next 2 days.

**Forecast valid 0830 hours IST of 17<sup>th</sup> November, 2005**

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

**EAST :** Weather will be mainly dry over the region.

**SOUTH :** Rain/thundershowers likely at many places over Nicobar Islands, Kerala and Lakshadweep and at a few places over coastal Tamil Nadu & Pondicherry and isolated over interior Tamil Nadu and Andaman Islands. Weather may be mainly dry over the rest region.

**WEST :** Mainly dry over the region.

### Heavy rainfall warning

Isolated heavy rainfall likely over Nicobar Islands, Kerala and Lakshadweep.

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

Rainfall over coastal Tamil Nadu is likely to increase.

**Source: GOI (IMD)**

## FOREX RATES (14.11.05)

Country/Continent	Currency	Value in Rupees
USA	Dollar	45.67
European Union	Euro	53.71

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