

## OILMEAL

31<sup>st</sup> Oct -5<sup>th</sup> November'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 December Soymeal Closed Lower

December soymeal settled down 2.1 at 176.2 per ton, this was 0.6 up from the low and 3.3 of from the high.

Soymeal futures lost some of its Thursday's gains, as there was no fresh fundamental news to induce buyers. The fall in prices of soymeal was supported by oil and soybean. The meal prices were supported initially this week, by the news that China has bought around 300,000 MT soybeans from U.S. However, another case of Bird Flu (fourth in last month) in China pressured the meal prices, even dry

weather conditions feared in Argentina couldn't support them.

November soybeans ended down 11.25 cents at \$5.805, January soybeans finished down 9.25 cents at \$5.92, and December soybean ended down 59 points at 22.94 cent a pound.

Soy futures saw downward movement on Friday thanks to lack of buying support for the soy futures and some bearish factors. Diminished export demand, strong position of supplies and larger expected production were the vehicles for the south journey of soybeans. Oil futures were hammered down by falling crude prices.

#### CBOT Soymeal Futures as on 04<sup>th</sup> November '05

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	178.3	178.4	179.5	175.6	-2.10	176.1
Jan'06	179.6	179.8	180.9	177.3	-1.81	177.8

CBOT remained closed on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

DOC spot market prices remained stable during the week as most of a result of improved crushing. For the soy meal prices to improve the markets remained subdued on account of festivals. Adding to it is desperately required that export demand ignites. Until then it is this the export demand is nearly absent at all the major ports. Where likely to remain subdued. India is estimated to have committed to as at the NCDEX there was only one day during the week when export more than 600,000 tons of soy meal in the next three months, some trading took place. DOC prices at Indore were quoted at to Japan, Southeast Asian countries and surprisingly, China. China Rs.8350 per MT on the last trading day of the week. The soy meal is said to have bought 100,000 tons of soy meal from India this year, prices at the Kandla port remained stable at the levels it were quoted because Indian soy meal is cheaper than those manufactured on the corresponding day of the previous week at Rs 9100 per MT. domestically using imported U.S. or South American soybeans. For The export demand were very low during the week amid bird flu the sake of meal prices we can only expect the export demand to fears and some markets like Indonesia were at halt due to festivals. rekindle. Until then the situation seems gloomy for the meals, as the The markets remained subdued at most of the places on account of crushing activity will improve only to increase the supply. FOR festivals. Trading activities will improve after the festivals. The quotes were steady at Rs 9100-9200 per MT in Kandla in jute bags, demand is still low on export front on concerns over the bird flu as FAS was at \$ 202-203 per MT. India's soy meal exports totalled yet another case of bird flu was observed in China and some Human 102675 tons in September 2005 compared with 12875 tons in infections are reported in Indonesia. The prices may observe further September 2004 hitting under these conditions if supply increases after the festivals

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

	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8400.00	8400	8400	8400	00.00
Dec'05	8800.00	00.00	00.00	00.00	00.00

#### Soy Meal Vessel Report (04.11.05)

'Leonis' has berthed at Kandla Port and continues to load 3,000 MT of SBM to Kuwait. Able Marine agents

will be handling the vessel. Loading of 11,500 MT of SBM is expected at the port on the vessel 'New Legend Star' to Vietnam. Interocean 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. Kandla Port is expecting 'IKI' to load 15,500 MT of SBM to Japan.

#### Rape/ Mustard meal

Rapeseed/mustard meal prices remained mixed in the day of very small activity. The markets expected to gear Monday onwards when arrivals will be seen to give some cheer to the lazy looking market. It is expected to witness some bearishness in the coming days as crushing activity in groundnut and soybean will increase supply. However, if export demand rekindles, the situation might get reversed.

#### DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	29.10.05	05.11.05
Indore	8200-8700	8350
Nanded	7800	7900-8000
Jalna/Dhulia	8100-8200	8200
Kota	8200	8350
Kandla	9100	9100
Mumbai	9000	9100
Vizag	.....	9100
Sangli	8200	8400

#### WEATHER WATCH: (05.11.05)

##### Chief Features

During past 24 hours, fairly widespread rains with isolated heavy falls have occurred over coastal Tamil Nadu & Pondicherry and Rayalaseema. Scattered light to moderate rainfall also occurred over interior Tamil Nadu and Kerala. Chief amounts of rainfall (cm) are: Tirupathi-10, Karaikal & Nagapattiman-9 each, Pondicherry-5, Chennai-4 and Tondi, Karipur, Waltair, Triruchirapalli, Cudalore & Nidumbaserry-3 each.

Yesterday's low pressure area central parts of over south Bay of Bengal now lies over southwest Bay of Bengal & neighbourhood. The associated cyclonic circulation extends upto 3.1 km a.s.l. Under its influence, scattered to fairly widespread rainfall is likely over south Peninsula with isolated heavy falls over Tamil Nadu & Pondicherry, Kerala & Lakshadweep.

Fair weather conditions will prevail over Jammu & Kashmir during next 3 days.

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

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

In Shivpuri/ Morena, mustard meal quoted slightly down at Rs.4550 per MT, at Alwar the prices bounced to Rs.4450 MT by adding Rs 50. India exported 31025 tons of rape meal in September 2005 as compared to 52100 in September 2004.

#### Groundnut meal

Saurashtra Groundnut (45%) quotes remained stable at yesterday's position of Rs. 6500 per MT for cash. Most of the markets are seen subdued on account of small arrivals. Crushing activity was also subdued and the same is expected to improve steadily. India exported around 8500 MT groundnut meals in September 2005.

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

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

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

#### Warning

Isolated heavy rain is likely to occur over Tamil Nadu & Pondicherry, Kerala and Lakshadweep during next 2-3 days.

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

Light to moderate rain/thundershowers likely to continue over south Peninsula.

A fresh western disturbance as an upper air system may cause light to moderate rain/snow over Jammu & Kashmir.

**Source:** IMD, GOI.

## Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.41
European Union	Euro	54.19

## USDA Weekly Export sales Highlights

(For 30<sup>th</sup> Sep -6<sup>th</sup> October'05)

**Soybeans:** Net sales of 842,000 MT slipped 5 percent from the previous week, but improved 21 percent from the prior 4-week average. China (347,200 MT, including 112,000 MT switched from unknown destinations) was the major buyer, followed by Indonesia (128,900 MT, including new sales of 13,900 MT, 58,000 MT switched from China, and 57,000 MT switched from unknown destinations), Japan (85,700 MT), Taiwan (70,000 MT), the Netherlands (67,200 MT), Mexico (64,400 MT), and South Korea (52,500 MT). Decreases were reported for unknown destinations (97,000 MT). Exports of 906,000 MT were 9 percent below the week earlier, but double the prior 4-week average. The primary destinations were China (402,200 MT), Mexico (171,100 MT), Indonesia (118,900 MT), Japan (88,000 MT), Belgium (36,700 MT), and the Netherlands (30,200 MT).

**Soybean Cake and Meal:** Net sales of 194,200 MT were 62 percent above the week earlier. The major buyers were Mexico (102,200 MT), Canada (33,200 MT), Australia (25,000 MT), Japan (11,900 MT), and Colombia (7,900 MT). Exports of 66,200 MT were 53 percent below the prior week and 41 percent under the prior 4-week average. The leading destinations were Canada (19,900 MT), Mexico (17,100 MT), Tunisia (14,500 MT), and El Salvador (8,800 MT).

**Soybean Oil:** Net sales of 6,300 MT were primarily for Cuba (5,000 MT) and Canada (1,100 MT). Exports of 6,400 MT were mainly to Mexico (4,800 MT) and Canada (1,200 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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