

OILMEAL

7th -12th November'05

MAJOR ACTIVITY HIGHLIGHTS

- India's Oil Meal Exports data of April - October' 05
- All India Production Estimate for Soybean, Groundnut and Mustard for '05
- Latest Weather Watch

NEWS ANALYSIS

Export of Oilmeal Increased This Year (April to October'05)

Indian Oilmeals export during the financial year 2005-06 (7 months) increased by 10.45% as compared to the export during the same period previous year. India exported 1500733 MT of Oilmeals during this period (April-March) according to SEA of India release. The main surge in export was seen in Castor meal (101475MT), Rice Bran Ex.(23772MT) and Soymeal(74525MT). However the export of GN meal were down during this period as compared to previous year by 30525MT. According to SEA,

groundnut meal exports fell almost 30% on year to 75,000 tonnes during this period mainly on account of lower crush margin. This release from SEA of India will provide some support to the meal prices as it is export demand what the meal is waiting for. In the scenario of lower feed demand due to fears of bird flu and lower meal prices in international market due to improved supply expectations, the promising export demand will certainly give some support to the falling and subdued prices of meals.

Export of Oilmeal (Extractions) from April to October '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
October 2005	160250	37250	8825	.....	.....	3,100	209,425
	18,750	17,300	4,450	.....	....	7,225	47,725
Total(Apr.-Oct.'05)	882,150	372,375	75,000	41,083	...	130,125	1,500,733
(Apr.-Oct.'04)	807,625	399,575	105,525	17,311	.....	28,650	1,358,686
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 Firm

December soymeal 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

soymeal futures. January soybeans ended 14 cents higher at \$6.015per bushel, while December soyoil 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 soymeal were 79,800 MT 74% above the week earlier. Exports were reported at 95,300 MT nearly 30% below the week earlier and 15% below the prior 4-week average.

CBOT Soymeal Futures as on 11th November '05

Months	Previous Settle	Open	High	Low	Change	Close
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

DOMESTIC MARKETS

Soy meal

DOC spot market prices fell during the week, as most of the markets remained subdued on account of lower export demand. Where as at the NCDEX November and December contract there was only one day during the week when some trading took place. DOC prices at Indore were quoted in the range of Rs.800-8500 per MT as per quality on the last trading day of the week. The soymeal prices at the Kandla port fell by Rs 150 as compared to the corresponding day of the previous week at Rs 8950 per MT. After a long lull on export front during recent festive period and scenario of bird flu fears, the soymeal was expected to see some activity as the festive season is over. Recent release by SEA of India added further hope as it reported export during last seven months increased by 10% as compared to corresponding period of previous year. But, all these expectations got some serious shock by some Chinese buyers as they cancelled their contracts of soymeal import from India on growing fears of bird flu. They cancelled at least four contracts of 13,000 MT each, which they bought at around \$235 a tonne, including cost and freight. These shipped meals were then sold at lower price of \$222 a ton including the cost of freight. The soymeal prices were already under pressure and this news further

hit the prices down. Though China is buying only this year from India and there were around 250000 MT of soymeal contracted to be bought, this news has added some bitterness in the already subdued market. The prices have already down to \$195 per tonne (FAS) from the high of \$215 per tonne. 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. 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.

NCDEX Soy meal Futures price (12th November 05)

	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

Soy Meal Vessel Report (11.11.05)

'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.

Rape/ Mustard meal

Rapeseed/mustard meal prices remained mixed in the day of very small activity. The markets expected to gear

DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	05.11.05	12.11.05
Indore	8350	8200-8500
Nanded	7900-8000	..
Jalna/Dhulia	8200	8100-8400
Kota	8350	8100-8200
Kandla	9100	8950
Mumbai	9100	8950
Vizag	9100	8950
Sangli	8400	8400

WEATHER WATCH: (12.11.05)

Chief Features

A trough of low pressure lies over southwest Bay of Bengal. The upper air cyclonic circulation over southeast Arabian Sea persists and now extends upto 3.6 km a.s.l. Under the influence of these systems, fairly widespread rains with isolated heavy falls are likely over Tamil Nadu & Pondicherry, Kerala, Lakshadweep and Nicobar Islands during next 2-3 days.

The western disturbance as an upper air system over north Pakistan and neighbourhood now lies over Jammu & Kashmir and adjoining Himachal Pradesh. This system is likely to cause rainfall/snowfall at a few places over higher reaches of Jammu & Kashmir during next 24 hours. The weather is likely to improve from tomorrow due to eastwards movement of the system. It may lead to fall in night temperatures by 2-3° C in the different parts of the state during next 2-3 days. The induced upper air cyclonic circulation over central Pakistan has become less marked.

Forecast valid 0830 hours IST of 15th November, 2005

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.

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.

NORTH : Rainfall/snowfall is likely at a few places over higher reaches of Jammu & Kashmir. It may be isolated over rest Jammu & Kashmir and Himachal Pradesh. Mainly dry weather is likely over the rest region.

EAST : Weather will be mainly dry over the region.

SOUTH : Rain/thundershowers likely at many places over Tamil Nadu & Pondicherry, Kerala, Lakshadweep and Nicobar Islands and isolated over Rayalaseema, south Coastal Andhra Pradesh, Coastal & South Interior Karnataka and Andaman Islands. Weather may be mainly dry over the rest region.

WEST : Mainly dry over the region.

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

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

Fair weather conditions likely over Western Himalayan Region leading to cold wave conditions.

Source: IMD, GOI.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.77
European Union	Euro	53.51

USDA Weekly Export sales Highlights

(For 28th Oct -3rd November'05)

Soybeans: Net sales of soybeans during this period were 580,000 MT. These sales were around ¾ of previous week and 27% under the prior 4-week average. The major buyers were China 362,000 MT, Taiwan 123,000 MT, Indonesia 67,600 MT, Turkey 66,000 MT, Spain 59,000 MT, Mexico 56,500 MT, and Japan 44,000 MT. Exports of 1,010,900 MT were at prior week level and were 22% over the prior 4-week average. The main importers included China 533,500 MT, Mexico 129,000 MT, Indonesia 73,600 MT, Taiwan 67,700 MT, Spain 58,800 MT, and Turkey 58,000 MT.

Soybean Cake and Meal: Net sales of soymeal during the period were 74% percent above the week earlier at 79,800

MT. The main buyers were Philippines 24,100 MT, the Dominican Republic 17,000 MT, Canada 15,600 MT, Mexico 15,200 MT, and Guatemala 14,100 MT. Exports during the same period were around 30% below its prior week level at 95,300 MT. The primary destinations were the Philippines 25,300 MT, Mexico 24,700 MT, Canada 15,200 MT, Japan 10,300 MT, and the Dominican Republic 9,300 MT.

Soybean Oil: Net sales of soyoil were 1,200 MT. The buyers were Cuba 38,500 MT and Guatemala 2,200 MT. Exports of 7,900 MT were mainly to Mexico 6,600 MT and Canada 900 MT.

All India Statewise Production Estimates of Soybean, Groundnut and Mustard During 2005.

Area in Lakh Ha. Yield in kg per ha, Production in lakh MT

	Soyabean		Groundnut		Mustard/Rapeseed	
Name of the state	Yr.05-06	Yr. 04-05	Yr.05-06	Yield Total production	Yr.05-06	Yield Total production
Madhya Pradesh	33.50	34.5	1.5	1.5	Uttar Pradesh	8.5
Maharashtra	19.50	17.0	02.00	3.5	Rajasthan	29.0
Rajasthan	5.00	4.2	2.5	2.2	Punjab Haryana	9.0
Andhra Pradesh	1.30	0.2	12.5	14.5	Gujarat	4.0
Karnataka	1.40	1.0	5.0	8.2	Madhya Pradesh & Chhatisgarh	7.5
Chattisgarh	0.50	0.4	....		West Bengal	2.5
Gujrat			20.0	16.5	Eastern India and others	4.0
Tamilnadu			5.5	10.5	Sub Total	64.5
Rest of India	0.40	1.2	2.0	2.8	TORIA (All India)	1.5
Total	61.60	58.5	35.7	42.0	Grand Total	66.0

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