

OILMEAL

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

## MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Markets Remained Stable
- December Soymeal at NCDEX Fell Sharply

## COMMENTARY DOMESTIC MARKET

### Soy meal

Soymeal prices saw no sign of improvement in recent days and market remained subdued. Definitely it's a period of falling prices in general, as it's a start of post harvest season. The prices generally remain low during this season on account of increased domestic and international supply. The supplier countries have enough stock positions thanks to good production and favourable weather conditions. Importers are at bargaining position, asking for lower prices. At the same time the bird flu factor is still haunting the markets with several appearance. At the moment we think the market has no reason to take prices up. At the most the prices may remain stable if not falling.

Soymeal prices at most of the spot markets remained stable today, however it fell at some markets. December soymeal at NCDEX witnessed a sharp fall of Rs 330 at Rs 8000. But it was mere late correction on account of intermittent trading. The prices fell to absorb the fall during the period of no trading.. DOC prices at Indore remained stable at Rs 8000 per MT. The soymeal prices at Kandla improved slightly, creating some hope for the further improvement if demand improves, but it is too early to expect the same. FOR quotes fell to Rs 8600-8650 per MT in Kandla in jute bags, FAS was down at \$ 188-190 per MT.

The current situation for the meals is gloomy. The importers are at bargaining position and asking for lower prices. Also, we are on the verge igniting supply to make the situation worse. For the sake of meal prices we can only expect the export demand to rekindle and bird flu story to come to an end.

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 (18.11.05)

Loading of 13,200 MT of SBM is continuing at Kandla Port on the vessel 'Tina Da' to Malaysia. Shantilal agents is 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.

Jamnagar Port is expecting 'Ha Na' to load 12,000 MT of SBM. Nilhant agents will be handling the vessel.

## DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	18.11.05	17.11.05
Indore	8000	7800-8000
Nanded/Latur	7500	7500-7700
Dhulia/Jalna	7800-7900	7800
Kota	7800	7800-7900
Nagpur	7500 (40%) -7900	7400 (40%) -7800
Kandla	8650	8600
Mumbai	8650	8675
Vizag(approx)	8700	8700
Sangli/Solapur	8000-8100	8100
Morena/shivpuri	8200	8000

## NCDEX Soy meal Futures price (18<sup>th</sup> November'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Nov' 05	8050.00	8050.00	7950.00	8010.00	-40.00
Dec'05	8330.00	8000.00	8000.00	8000.00	-330.00

## Rape/ Mustard meal

Rapeseed/mustard meal prices remained stable at Rs 4900 per in Morena today. The prices at Alwar were also stand still at Rs 4900 per MT. As it is the period of depleting stocks and crushing activity in mustard has dropped and shifted towards the soymeal, the prices are at higher levels. 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 remained at the yesterday's level of Rs 6500 per MT and GN 40% was traded at Rs 6000. As the supply of the GN meal is not at its usual levels due to lower crushing on account of good seed demand. This is causing prices to remain stable. For prices to go up export demand should improve. 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 Soymeal Ended Higher

December soymeal closed \$1.40 higher at \$174.80 per ton. The soymeal futures ended firm of Thursday on higher than expected weekly export sales. Soymeal sales were 204,700 MT, above expected range of 100,000 to 150,000 MT. However, the market is still facing the lower demand problem due to bird flu fears. This report of higher export was a little booster for the subdued market and prices climbed on the good news. Similarly, soybean futures also gained at CBOT. January soybeans finished 2.5 cents higher at \$5.7925. The rise in prices was supported by the USDA report, which showed good sales during the marketing year 2005-06. However the gains were limited by some bearish factors like lagging export pace, favourable South American planting conditions and bird flu worries. The total sales were 644,800 MT in the upper side of the expected range of 500000-700000 MT. China was the main buyer at 345000 MT. However, soy oil futures fell on Thursday due to lackluster weekly export sales and worries over building soyoil stocks and large soyoil yields. December soyoil ended 3 points lower at 22.16 cent per pound.

According to USDA report Net sales of soymeal 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 Dominican Republic 9,300 MT.

(Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Dec'05	173.4	173.2	175.3	172.8	+1.4	174.8

Jan'06	174.4	174.7	176.6	174.1	+1.8	176.2
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### WEATHER WATCH: (18.11.05)

#### Chief Features

The low pressure area over southeast Bay of Bengal moved slightly westwards and now lies over western parts of southeast Bay of Bengal. Associated upper air cyclonic circulation extends upto 2.1 km a.s.l. As the system is likely to move slowly west-northwestwards, the rainfall activity over Tamil Nadu is likely to increase from tomorrow.

Forecast valid 0830 hours IST of 21<sup>st</sup> November, 2005

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

**EAST :** Isolated rain/thundershowers likely over Arunachal Pradesh and northeastern parts of Assam. Weather will be mainly dry over the rest region.

**SOUTH :** Rain/thundershowers likely at a few places over Andaman & Nicobar Islands and isolated over coastal Tamil Nadu & Pondicherry. Weather may be mainly dry over the rest region. Rainfall over Tamil Nadu is likely to increase from 19<sup>th</sup>. isolated to scattered rainfall also likely over Kerala from 20<sup>th</sup>.

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

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

Scattered to fairly widespread rains with isolated heavy falls likely over Tamil Nadu & Pondicherry and Kerala.

Source: GOI (IMD)

#### FOREX RATES (18.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.74
European Union	Euro	53.60

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