

## MAJOR ACTIVITY HIGHLIGHTS

- Domestic Spot Market Prices Improved Further
- February Soymeal at NCDEX Witnessed No Trading Activity

## COMMENTARY DOMESTIC MARKET

### Soy meal

Soymeal prices improved further at most of the spot markets on good demand on export front. Soymeal demand at present is not very high but it is enough to support the prices at these levels. Soymeal export market is witnessing some good demand from neighbouring countries recently, giving support to the prices, which were deep down on bird flu concerns and poor demand. Right now the export demand increased from China and 7500 metric tonnes of Soymeal is expected export to Vietnam. The frequency of bird flu outbreaks seems declining, and it is expected to more improvement in export demand for soymeal. Dry weather condition in South America is underpinning the futures prices of soymeal complex, which may also give some spill over impact on Indian soymeal prices.

Soymeal prices at Kandla port surged remained stable at higher levels of Rs 9100 per MT Today. At Mumbai port also the prices were Rs 8875 per MT. The buyers seemed little reluctant at higher prices but finally came forward to buy at the higher levels. In the New Year (2006), there is expected to increase in the export demand of Indian soymeal and expected to improvement in its prices also. The futures market witnessed no trading activity in January, February and March contracts of soymeal at NCDEX.

Soymeal exports in November increased 52.43% to 266,675 MT from 174,950 MT in the previous year. Total soymeal exports during this year till November rose 16.91% to 1148825 MT from 982575 MT during the corresponding period of last year. The main importers were Vietnam 85675 MT, Japan 41475 MT, Thailand 46125 MT and China 26750 MT.

### Soy Meal Vessel Report (26<sup>th</sup> December'05)

Loading of 20,000 MT of SBM is expected at Kandla Port on the vessel to 'Fonwa Star' to China. Seacrest agents is handling the vessel.

'Kwan Mo Bong' is expected at Jamnagar Port to load 7,500 MT of SBM to Vietnam. Interoccean agents will be handling the vessel.

### Current Vessel Position

Ports	Vessels	Vol. (MT)	Carrying	Status	Destination
Kandla	Fonwa Star	20000	SBM	Loaded	China
Jamnagar	Kwan Mo Bong	7500	SBM	Expected	Vietnam

### DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	26.12.05	24.12.05
Indore	8300-8500	8200-8300
Nanded/Latur	8000-8100	7800-8000
Dhulia/Jalna	8100-8300	8100-8200
Kota	8000-8100	8000
Nagpur	8100	7600(40%) -8000
Kandla	9100	9100
Mumbai	8875	8875
Vizag(approx)	-	...
Sangli/Solapur	8400-8500	8400
Morena/shivpuri	8300-8500	8400/7900

### NCDEX Soy meal Futures price (26<sup>th</sup> December'05)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
Jan'06	7720.00	00.00	00.00	00.00	00.00
Feb'06	7900.00	00.00	00.00	00.00	00.00

### Rape/ Mustard meal

Recently the mustard prices witnessed a sudden surge recently on the news that NAFED will higher somewhat 30 mills to crush the stock of mustard seeds. The move will definitely ease the pressure on prices of seeds as NAFED is expected to buy again about 15-20 lakh tonnes when the new crop will come on minimum support price (MSP), PSP of mustard seed is Rs 1715/quintal is fixed by GOI. The cattle feed demand of mustard meal is steady which is also supporting the high prices. If the aforesaid story of NAFED materializes, it may increase the supply, which further in turn would put pressure on prices. Until then there is no strong chance of downfall in prices as it is the period of declining stocks. India exported 37250 MT of rape meal in Rapeseed meal exports in November declined 24.7% to 21,725 MT from 28,850 MT in the previous year. Total export till November was 394,100 MT down 8.1% as compared to 428,425 MT during corresponding period of the previous year.

### Groundnut meal

Groundnut seed demand from crushers and for direct consumption is improving, also the demand for seed from farmers for seed purpose has improved during this period.

As arrivals are at moderate levels and export demand in routine the prices of seeds are expected to improve especially in Gujarat. GN oil prices are slightly improved in Gujarat due to increasing demands at retail end. GN meal, which is used mainly as poultry and cattle feed is not expected to fall dramatically, rather it is expected to remain stable at the current levels. The Saurashtra Groundnut (40%) soymeal prices remained stable on higher levels of Rs 6100 per MT. Total groundnut export till November was 77,200 down 26.75% as compared to 105,525 MT during corresponding period of last year.

## INTERNATIONAL MARKET

### CBOT Closed (Christmas Day)

## WEATHER WATCH: (26.12.05)

### Chief Features

Cold wave conditions have abated from Jammu & Kashmir and Punjab. However they prevailed over many parts of West Madhya Pradesh, Vidarbha and Marathawada, parts of south Rajasthan and Gujarat where night temperatures were below normal by 4-5° C. The lowest minimum temperature recorded in the plains of the country was 1.8° C at Amritsar (Punjab).

The upper air cyclonic circulation over east-central Bay of Bengal has become less marked.

A trough of low pressure lies over Andaman Sea.

Under above scenario largely dry weather conditions are likely over most parts of country except isolated light rainfall over Nagaland, Manipur, Mizoram & Tripura, Bay Islands, south Tamil Nadu and Kerala.

A western disturbance is likely to affect western Himalayas region from 28<sup>th</sup> December and may cause isolated to scattered rainfall/Snowfall on 28<sup>th</sup> & 29<sup>th</sup> over western Himalayas.

### Forecast valid 0830 hours IST of 29<sup>th</sup> DECEMBER, 2005

**NORTH:** Weather will be mainly dry in the region. Isolated to scattered rain/snow likely over Jammu & Kashmir and Himachal Pradesh from 28<sup>th</sup> onwards.

**EAST:** Isolated rain/thundershowers likely over Nagaland, Manipur, Mizoram & Tripura. Weather will be mainly dry over the rest region.

**SOUTH:** Rain/thundershowers likely at a few places over Andaman & Nicobar islands, and Isolated coastal Tamilnadu & Pondicherry and Kerala Weather will be Mainly dry in the rest region.

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

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

A western disturbance is likely to effect extreme northern parts of the country causing isolated to scattered rain/snow over western Himalayas from 31<sup>st</sup> onwards for 2-3 days.

**Source:** IMD,GOI

## FOREX RATES (26.12.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.12
European Union	Euro	53.43

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