

## MAJOR ACTIVITY HIGHLIGHTS

- **Soymeal Domestic Market Prices Hit by Bird Flu.**
- **NCDEX Soymeal Contract Witnessed Decline.**

## COMMENTARY

### DOMESTIC MARKET

#### Soy meal

The soymeal markets have been witnessing decrease in the prices due recent out break of bird flu is reported from Maharashtra. The Maharashtra government confirmed that bird flu had resulted in the recent deaths of chickens in Nandurbar and Dhule districts of the state since last few days and is likely to continue in this fashion for some time. There were no trade seen on Mumbai, Vizag and Kandla ports. Rest of the places was seen slight fluctuation. As the export demand has become prices sensitive and buyers are at bargaining position on account of huge stocks with U.S. The prices are likely to remain range bound at the current levels as the current situation is slightly mixed. Soymeal futures at NCDEX witnessed decrease in March contract by Rs. 135.00, while April contract witnessed decrease of Rs. 77.00.

The prices at Indore spot market were slightly decreased in the range of Rs 8400-8600 per MT levels. The prices at Kandla port remained the same at Rs 9200.0 as no trading was witnessed in the port. Mumbai port also witnessed no trading today.

We are in the phase of the market where the demand is coming in trickles and buyers are at bargaining position. Also, in times to come, we are going to see a flood of supplies from the South American crop harvest. We expect the prices to remain steady to slightly bearish.

#### Latest Soy Meal Vessel Report

Loading of 2,000 MT of SBM is continuing at Kandla Port on the vessel 'Seven Star' to Kuwait. The vessel is being handled by Sai Shipping. 'Ever Power' is expected at Kandla Port to load 15,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

'Pavonis' has berthed at Mumbai Port and continues to load 3,000 MT of SBM. The vessel is being handled by Able Marine agents. 'Mercs Ruhunnu' is expected at the port to load 2,750 MT of SBM. Sai Shipping agents will be handling the vessel.

Jamnagar Port is loading 11,000 MT of SBM to China on the vessel 'Iran Kolhadoo'. The vessel is being handled by Seacrest agents. Loading of 12,600 MT of SBM is expected at the port on the vessel 'Iran Soka' to China. The vessel will be handled by Seacrest agents. 'Weston' is expected at the port to load 26,000 MT of SBM to Vietnam. Interocean agents will be handling the vessel.

## Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Destination
Kandla	Ever Power	15000	Expected	Japan
	Seven star	2000	Loading	Kuwait
	Asha Himani	3000	Expected	Hodaidab
Jamnagar	Iran Kolhadoo	11000	Loading	China
	Iran Soka	12600	Expected	China
	Weston	26000	Expected	Vietnam
Mumbai	Indruva Valley	2500	Loading	
	Pavonis	3000	Loading	
	Lover Star	6000	Loading	
	Mercs Ruhunnu'	2750	Expected	

## DOC rates at different centers

Places	Ex-factory rates (Rs/ton)	
	18.02.06	20.02.06
Indore	8500-8800	8400-8600
Nanded	8550	8300
Latur	8550	8700
Dhulia	8550	8200-8300
Jalna	8600	8300
Kota	8250	8200
Nagpur	8400	7800-8200
Kandla	9350-9400	9200 (No Trade)
Mumbai	9250-9400	-
Vizag(approx)	9250-9400	No Trade
Sangli	9000	8800
Solapur	8950	8700
Morena	8700	8450
Shivpuri	8300	8200

**NCDEX Soy meal Futures Prices (17 Feb'06)**

Contract	Prev Close	High	Low	Close	Change
March'06	8724.00	8589.00	8589.00	8589.00	-135.00
April'06	8877.00	8800.00	8800.00	8800.00	-77.00

**Rape/ Mustard Meal**

Mustard seed arrivals (Fresh crop) at different mandis in Rajasthan is picking up slowly. At the moment fresh mustard seed is around 60000-70000 bags in Rajasthan market. Hefty previous stock (mainly with NAFED) along with the forthcoming harvest season projects a bearish picture for mustard seed. Further, increased expected production this year i.e. 8.20 million tonnes as compared to the previous year's 6.25 million tonnes, supports the same thought. To some extent, Government buying (announced 25 lakh tonnes) of mustard seed at MSP Rs 1715 is likely to support the freefall of prices but looking at the crop size this effort of the government probably would not prove to be sufficient. So expect the mustard meal prices to stumble as the arrivals in mandis and crushing gets momentum during the coming time. Today there was no trading seen at Kandla port, as the buyers and sellers were standing apart. Today the Mustard oilcake was quoted in Morena Rs 4400 per MT.

**Groundnut meal**

There is nothing new input in the groundnut meal market as the arrivals, crushing and demand all seems to be steadied. The groundnut harvesting and arrivals in the southern market is at higher levels whereas the Gujarat markets are witnessing gradual fall in arrivals. As, at the moment oil prices are at lower levels due to good supply position of the oil due to higher crushing activity in soybeans. The arrivals of GN are diminishing in the major producing areas in Gujarat. The prices are almost steady. The prices will improve slightly if the prices of the seeds jump higher in lower supply scenario. GN meals (40%) were slightly improved at Rs 6000 on credit and Rs 6500 per MT on cash in Saurashtra.

**INTERNATIONAL MARKET**

CBOT remain closed on Saturday and Sunday.

**CBOT Soy meal futures as on February 17<sup>th</sup> 2006**

(Unit: \$/MT)

Contract	Prev Close	Open Price	High Price	Low Price	Close Price	Change (\$)
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Mar 06	591.4	596.0	603.0	590.0	+9.8	601.2
May 06	604.2	609.0	617.0	602.4	+10.2	614.4

**WEATHER WATCH: (20.02.06)****Forecast valid for next 72 hours**

Mainly dry weather conditions are likely to prevail over the country for the next 2-3 days outside northeastern states and sub-Himalayan west Bengal & Sikkim where rain/thundershowers are likely at a few places. Both day & night temperatures were above normal by 4-7 °C over northwest India, Gangetic Plains and central India. These warm condition are likely to continue for next 4-5 days, through a slight fall in night temperature is expected over northwest India and Gangetic plains during next 2 days.

**NORTH-WEST INDIA:** Isolated rain/snow likely over higher reaches of Jammu & Kashmir. Mainly Dry weather over the rest region. Day temperatures are likely to remain 5-7°C above normal over the region.

**EAST INDIA:** Rain/thundershowers likely at a few places over Sub- Himalayan West Bengal & Sikkim and isolated over Gangetic West Bengal. Weather will be mainly dry over the rest region. Night temperatures over the region are likely to remain 4-6°C above normal.

**NORTHEAST INDIA:**

Rain/thundershowers are likely at a few places over Assam & Meghalaya and isolated over the rest region.

**SOUTH INDIA:** Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region. Night temperatures over the Peninsula are likely to remain near normal, though the day temperatures could remain 2-3°C above normal.

**WEST INDIA:** Weather will be mainly dry over the region. Day and Night temperatures over Rajasthan and Gujarat are likely to remain above normal by 4-7°C above normal.

**CENTRAL INDIA:** Weather will be mainly dry over the region. Day and night temperatures over Madhya Pradesh and Chhattisgarh are likely to remain significantly above normal. **Source: MDI, GOI**

**FOREX RATES (20.02.06)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.43
European Union	Euro	53.17
United Kingdom	GBP	77.49
Japan	100 Yen	37.58

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