

OILMEAL

18-25 Feb'06

MAJOR ACTIVITY HIGHLIGHTS

- India's Oil Meal Exports data of April' 05– January' 06
- All India Production Estimate for Soybean, Groundnut and Mustard for '05
- Latest Weather Watch

NEWS ANALYSIS

Export of Oilmeal Increased This Year (April '05 to January '06)

Indian Oilmeals export during the financial year 2005-06 (10months) increased by 36.13% as compared to the export during the same period previous year. India exported 2950850 MT of Oilmeals during this period (April-January) according to SEA of India release. The main surge in export was seen in Castor meal (216.8%), Rice Bran Ex.(100%) and Soymeal(178.4%). However the export of

GN meal were down during this period as compared to previous year by 2.8%. According to SEA, groundnut meal exports fell during this period mainly on account of lower crush margin. Despite the bird flu fears and bearish factors in the overseas meal markets, the Indian meals export recorded growth due to its attractive prices and good quality.

Export of Oilmeal (Extractions) from April to January '06 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	99,250 366,625	90,900 96,000	12,950 14,800	---	---	17,800 ---	220,900 477,425
May 2005	156,100 278,300	69,650 100,875	3,025 44,750	6,875 ---	---	50,200 ---	285,850 423,925
June 2005	115,750 94,500	53,975 45,575	8,900 30,475	12,675 5,800	---	20,225 6,200	211,525 182,550
July 2005	135,550 19,250	45,750 54,400	17,700 2,300	16,500 ---	---	11,525 ---	227,025 75,950
August 2005	112,575 17,325	43,825 33,325	15,100 8,750	5,033 5,761	---	11,325 15,225	187,858 80,386
September 2005	102,675 12,875	31,025 52,100	8,500 ---	---	---	15,950 ---	158,150 70,725
October 2005	160,250 18,750	37,250 17,300	8,825 4,450	---	---	3,100 7,225	209,425 47,725
November 2005	266,675 174,950	21,725 28,850	2,200 ---	12,867 11,820	---	18,225 ---	321,692 215,620
December 2005	492,950 303,750	47,400 40,375	18,000 ---	6,500 13,925	750 460	14,100 16,275	579,700 374,785
January 2006	483,225 173,550	16,975 30,275	8,400 1,100	25,950 ---	---	14,175 10,825	548,725 216,846

Total (Apr05-Jan'06)	2,125,000	458,475	103,600	86,400	750	176,625	2,950,850
(Apr.04-Jan.'05)	1,459,875	499,075	106,625	43,056	3,272	55,750	2,167,653
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 Soy Futures Pushed Up

March Soybeans settled up 5.50 cents at \$ 5.7725/bushel, 2.50 cents off the high and 5.25 cents up from the low. May Soybeans settled up 5.50 cents at \$5.9025/bushel which was 5.25 cents up from the low and 2.50 cents off the high. March Soymeal settled up \$0.7 at \$175.5/tonne that was \$0.5 up from the low and \$1.0 off the high. March Soybean Oil finished up 0.2 cents at 22.96 cents/pound, 0.16 cents off the high and 0.11 cents up from the low. Report of an explosion in Saudi Arabia helped to boost the market up for other

markets like gold, crude oil and palm oil which helped to support the soybean market. Weekly US export sales for soybeans remain at 503,600 metric tonnes as compared to trade expectations between 400,000-600,000 well within the range. Cumulative sales for soybean reached just 77.7% of the USDA forecast. Meal sales remain at 77,300 metric tonnes as compared to trade expectations between 75,000-125,000. Cumulative sales for meal reached 63.7% of as compared to 64.5% on average over the last five years. Oil sales remain in the range at 4,300 metric tonnes as compared 1,000-6,000.

CBOT Soymeal Futures as on 25th February '06

Months	Previous Settle	Open	High	Low	Change	Close
Mar 06	571.6	578.0	579.6	572.0	+5.6	577.2
May 06	584.6	592.0	592.6	585.0	+5.6	590.2

CBOT Remains Close on Saturday and Sunday

USDA Export Sales (tmt) - Week of 16 February 2006

USDA Export Sales (tmt) - Week of 16 February 2006							
Country	Commodity	New Sales	Accum. Exports	Country	Commodity	New Sales	Accum. Exports
Bangladesh	Soybeans	0.1	4.7	Egypt	Soymeal	7	52.4
Belgium	Soybeans	3.8	165.9	Indonesia	Soymeal	0.4	15
China	Soybeans	409.1	7238	Japan	Soymeal	4.5	168.4
Colombia	Soybeans	4.7	86.6	Mexico	Soymeal	6.2	551.4
Costa Rica	Soybeans	6.1	115.1	Morocco	Soymeal	10	14.4
Cuba	Soybeans	3	70.5	New Zealand	Soymeal	0.1	24
Denmark	Soybeans	22.5	50.7	Nicaragua	Soymeal	2.6	27.5
Dom. Rep.	Soybeans	2.8	0	OPAC Is.	Soymeal	0.1	4.3
Guatemala	Soybeans	1	7.2	Philippines	Soymeal	7.3	206.9
Indonesia	Soybeans	1.6	571.5	Salvador	Soymeal	0.3	53.7
Japan	Soybeans	42.8	1441.4	Turkey	Soymeal	5	96.4
Malaysia	Soybeans	0.2	119.9	Canada	Soyoil	1.8	11.6
Mexico	Soybeans	6.8	1653	Cyprus	Soyoil	0.1	0.1
Netherlands	Soybeans	58.5	768	Dom. Rep.	Soyoil	0.1	2.9
Philippines	Soybeans	0.8	55.2	Jamaica	Soyoil	1.3	57.1
Syria	Soybeans	0.7	94.6	Panama	Soyoil	0.1	0.2
Taiwan	Soybeans	28.2	953.5	Salvador	Soyoil	0.1	0
Turkey	Soybeans	15.1	297.9	Export Sales Totals (tmt)			

Current Vessel Position

Ports	Vessels	Vol. (MT)	Carrying	Status	Destination
Kandla	Ever Power	15000	SBM	Berthed	Japan
	Seven star	2000	SBM	Loading	Kuwait
	Asha Himani	3000	SBM	Expected	Hodaidab
	Elvar	22600	SBM	Expected	Japan
Jamnagar	Iran Kolhadoo	11000	SBM	Loading	China
	Iran Sokan	12600	SBM	Expected	China
	Iran Nabuvat	18000	SBM	Loading	China
	Weston	26000	SBM	Berthed	Vietnam
	Santa Suria	12000	SBM	Loading	Indonesia
	Ivory Ace	8000	SBM	Expected	Japan
Mumbai	Indruwa Valley	2500	SBM	Loading	
	Pavonis	3000	SBM	Loading	
	Lover Star	6000	SBM	Loading	
	Mercs Ruhunnu'	2750	SBM	Expected	

Rape/ Mustard meal

Mustard seed arrivals (Fresh crop) at different mandis in Rajasthan is flushing with new seeds. At the moment fresh mustard seed is around 80000-90000 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 little trading seen at Kandla port, as the buyers and sellers were standing apart. Today the Mustard oilcake was quoted in Morena Rs 4500 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 decreased to Rs 5600 on credit and Rs 6200 per MT on cash in Saurashtra.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	18.02.06	25.02.06
Indore	8500-8700	8400-8600
Nanded	8400	8100-8300
Dhulia	8500	8100-8200
Kota	8250	8150
Kandla	9400	9100 (Buyers) 9000 (Sellers)

Mumbai	9300	9100 (Buyers) 9000 (Sellers)
Vizag	9300	9100 (Buyers) 9000 (Sellers)
Sangli	8900	8700

WEATHER WATCH: (28.12.05)

Forecast valid for next 72 hours

A western disturbance is approaching the northern part of the country and is likely to cause scattered rain/snow over west Himalayan region and isolated to scattered rain/thundershowers over Punjab and northern Haryana during next 2-3 days. Day temperatures 5-8 °C remain above normal over most parts of northwest, Gangetic Plains, central India, eastern parts of the country and 4-5 °C over Maharashtra, Gujarat and Chhattisgarh where as night temperatures were above normal by 3-5° C over these area.

NORTH-WEST INDIA: Rain/snow likely at a few places over Jammu & Kashmir and Himachal Pradesh and isolated over Uttaranchal. Isolated rain/ thundershowers over Punjab and north Haryana during next 2-3 days. Day and night temperatures are likely to remain above normal by 4-6° C. Mainly Dry weather over the rest region.

Source: IMD, GOI.

Forex Rates (25.02.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.44
European Union	Euro	52.79
United Kingdom	GBP	77.59
Japan	100 Yen	38.02

USDA Monthly Export Sales Highlights (24th Feb 06)

Weekly Export Sales Highlights of US Department of Agriculture is released on Friday i.e. February 24, 2006. This summary is based on reports from exporters (for the period February 10-16, 2006). Soybean Cake and Meal: Net sales of 77,300 MT were 50 percent below the week earlier and 54 percent under the prior 4-week average. Major increases for Canada (13,400 MT), Colombia (11,200 MT), Algeria (10,700 MT), Morocco (10,000 MT, including 5,000 MT switched from unknown destinations), the Philippines

EAST INDIA: Isolated rain/thundershowers likely over Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region. Day & night temperatures are likely to remain 3-5°C above normal.

NORTHEAST INDIA: Rain/thundershowers are likely at a few places over Assam & Meghalaya and Arunachal Pradesh. Mainly dry weather over the rest region.

SOUTH INDIA: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region. Day temperatures likely to remain 2-3° C above normal. Night temperatures are likely to remain 2-3° C below normal.

WEST INDIA: Weather will be mainly dry over the region. Day and Night temperatures likely to remain markedly above normal over many parts of the region.

CENTRAL INDIA: Weather will be mainly dry over the region. Day temperatures are likely to remain 5-7° C above normal over Madhya Pradesh & Chhattisgarh.

Projected U.S. soybean ending stocks for 2005/06 are

(7,300 MT, including 7,100 MT switched from unknown destinations), and Egypt (7,000 MT) were partially offset by decreases for unknown destinations (6,600 MT) and Guatemala (1,700 MT). Exports of 107,100 MT were 32 percent below the previous week and 25 percent under the prior 4-week average. The primary destinations were Mexico (28,600 MT), Canada (27,300 MT), Colombia (16,500 MT), and Algeria (10,700 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	Yr.04-05	State	Yr.05-06

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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