

OILMEAL

15 April -22 April, 06

MAJOR ACTIVITY HIGHLIGHTS

- India's Oil Meal Exports data of April' 05– February' 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 March '06)

Indian Oilmeal export during the financial year 2005-06 (11months) increased by 60.82 % as compared to the export during the previous year oil year. India exported 4423025 MT of Oilmeals during this oil year (April-March) according to SEA of India release. The main surge in export was seen in Rice Bran Ex. (291.07%), Castor meal (284.30%), Rapeseed (101.41) and Soymeal (54.35%).

Soymeal exports surged to 3424600 MT during the period, in March the export rose by a huge 54.35% to 3424600 MT as compared to 1861325 MT in last year. 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. However, Mustard meal exports surged by 101.41% to 533275 MT in last year.

Export of Oilmeal (Extractions) from April 05 to March '06 with comparative period of previous year (Qty. in MT)

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
November 2005	266,675	21,725	2,200	12,867	...	18,225	321,692
	174,950	28,850	...	11,820	...	...	215,620
December 2005	492950	47,400	18,000	6,500	750	14,100	579,700
	303,750	40,375	....	13,925	460	16,275	374,785
January 2006	483,225	16,975	8,400	25,950	....	14,175	548,725
	173,550	30,275	1,100	...	1,096	10,825	216,846
February 2006	587425	28750	3850	29425	....	12800	662250

	175625	70205	10100	....	1266	15000	272196
March 2006	712175	46050	30475	9500	....	11725	809925
	225825	19525	4750	....	252	....	250352
Total (Apr05 - March 06)	3424600	533275	137925	125325	750	201150	4423025
(Apr.04 -March.05)	1861325	588805	121475	43056	4790	70750	2690201
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

Soy Meal: USDA Weekly Export Sales Highlights

The USDA exports sales data released on Thursday (20.04.06). This summary is based on reports from exporters for the period April 7-13, 2006. Soybean Cake and Meal: Net sales of 142,600 MT were 67 percent above the week earlier and 37 percent over the prior 4-week average. The primary buyers were Mexico (44,800 MT), the

Philippines (24,500 MT, including 24,000 MT switched from unknown destinations), Canada (19,600 MT), and Tunisia (12,000 MT). Exports of 148,500 MT were 38 percent over the previous week and 33 percent above the prior 4-week average. The major destinations were Mexico (26,600 MT), the Philippines (24,800 MT), Canada (24,500 MT), Saudi Arabia (22,800 MT), the Dominican Republic (20,900 MT), and Honduras (10,500 MT).

Soy Oil Flare Up in CBOT, Meal and Bean Decline

July Soybeans settled down 2 cent at \$5.8325/bushel, 4.25 cent off the high and 2.75 cent up from the low. November Soybeans settled down 1.25 cent at \$6.04/bushel, which was 3 cent up from the low and 3.75 cent off the high. July Soybean Meal settled down \$0.8 at \$172.0/ton that was \$0.4 up from the low and \$1.6 off the high. July Soybean Oil settled up 0.54 cent at 25.06 cent/pound, 0.08 cent off the high and 0.68 cent up from the low. Weak export sales data still had an impact over the soybean and initially the market weakened as it didn't find adequate fund buying support.

Later soybean got some strength amid solid gains in the December oil on the view that soy oil can be used for making bio-diesel. The oil market then got boost to move upwards and left soybean and meal to lag behind. Soybean also upset by the wheat market as it closed weak combined with the huge world ending stocks. Brazil's Agricultural Research agency Embrapa reduced their production forecast by 1.5 million tonnes to 55.7 million tonnes due to outbreak of Asia rust. The lower opening in July meal had a bearish note in the market and thus helped to settled lower.

CBOT Soybean Meal Futures as on 23rd April '06

Months	Previous Settle	Open	High	Low	Change	Close
May 06	172.6	172.4	173.5	171.4	-0.7	171.9
July 06	172.8	172.2	173.6	171.6	-0.8	172.0

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

Significant increase in the prices could be viewed in this week following acute shortage of the seeds in the physical market for crushing and continuous reduction in the arrivals and at the same time Plants are working for limited period of time. Unavailability of crushing seeds by the miller results into spurt in the prices in the physical market. High demand from the export end is also supporting the market up and providing underlying support. The meal gets short even for the export, as exporters are not enough meal for the same.

Traders are even not getting the requisite amount of meal to fulfill the demand. The spot market therefore improved significantly and remain on the higher levels due to parity could only achieve unless and until the prices of the meal should go high. Emerging demand from the poultry industry also helped to gain in the prices as the industry is struggling for its revival. Government announcement for relief packages for the poultry industry could also help to solve the growing demand of the poultry industry and further helped to reduce the indebted condition of the hatcheries. Demand from the exporters help to rejuvenate the declining industry after the bird flu pandemic, but still they are not getting the required quantity of the meal for

export. Traders are optimistic about for any further increase in the prices. Most of the domestic centers remain firm. International scenario remains still in favour of bears as the harvesting continue in full swing in South America. Traders are keenly watching the situation and waiting for any fresh news. It is expected that the prices may improve in near term on account of fresh demand from Far East countries. Far East countries are looking towards India thereby seems some ray of hope for the exporters. The domestic prices are likely to improve in coming days due to acute shortage of the seeds in the physical market. At ports, Mumbai and Kandla witnessed improved trading during the period and significant improvement could be witnessed as compared to the previous week because the balls are in the seller's court and having stronger hands over the buyers. Sellers are

quoting high and even buyers are not getting enough to export. The prices are likely to improve in the coming days.

The soymeal prices at Indore spot remain range bound and varied between 8000-8300. The prices at different ports varied between Rs 8900 (Buyers)-9000 (sellers) per MT during the period. In the futures market, March and April contract witnessed little trading and remain stale for most part of the week. We are in the phase of the market where the demand is coming in trickles and fast depleting stocks and emerging demand from the domestic yard results into bargaining position of the sellers. Mid term international scenario remain bearish as the market is going through the over bought region. Bio-diesel demand and possible shrinkage in production area in Brazil could be the governing force to drive the market.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	15.04.06	23.04.06
Indore	7800-8100	8000-8300
Nanded/Latur	7500-7600	8000-8200
Dhulia/Jalna	7900-8000	8300-8400
Kota	7800-7900	8125
Kandla	8550 (Buyer)-8600 (Seller)	8900 (Buyers)- 9000 (Sellers)
Mumbai	8550 (Buyer)-8600 (Seller)	8900 (Buyers)- 9000 (Sellers)
Vizag	8550 (Buyer)-8600 (Seller)	-
Sangli	8500	8700

NCDEX Soy meal Futures price (23rd April' 06)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
April 06	7650.0	-	-	-	-
May 06	7950.0	-	-	-	-

Soy Meal Vessel Report (23.04.06)

`Bao Heng Men' has berthed at Kandla Port and continues to load 12,300 MT of SBM to Japan. Shantilal agents is handling the vessel. The port is expecting `Luna Blue' to load 11,250 MT of SBM. JM Baxi agents will be handling the

vessel. Jamnagar Port is loading 6,700 MT of SBM to Indonesia on the vessel `Jasmine Ace'. GAC agents is handling the vessel. Mumbai Port is expecting `Seven Star' to load 4,800 MT of SBM.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Destination
Kandla	Delfinaki	16000	Expected	New Zealand
	Bright Dream	5000	Expected	Far East
	Multi Trader	15500	Arrived	Japan
	Luna Blue	11250	Expected	
	Bao Heng	12300	Arrived	Japan
Jamnagar	Iran Mahallati	12600	Loading	China

	Sunrise Ocean	19000	Expected	China
	New Yega	12000	Arrived	Singapore
	Sin Chon	14000	Loading	Vietnam
	Jasmine Ace	6700	Loading	Indonesia
	Lever Star	6400	Expected	Indonesia
	Kibishio Maru	13000	Loading	Vietnam
Mumbai	Indruwa Valley	2600	Expected	
	Seven Star	4800	Expected	

Rape/ Mustard meal

Prices of mustard meal increased slightly this week due of emerging demand from the cattle feed industry and high export demands from the exporters. Activities in the ports are getting strength as loading going in some vessels and others are expected. Acute shortage of the mustard DOC was also recorded in the market and exporters are also not getting the same. Therefore sellers seem to have strong hand over buyers and therefore quoting premium price. The arrivals of Mustard seed in different mandis of Rajasthan during the week were seen around 300000-350000 bags. The procurement by government is going on at steady pace and private companies are showing keen interests. Mustard mills are also started crushing as they are getting parity for the same. This week mustard DOC prices decline in Morena at Rs 4150-4200 per MT, whereas mustard meal was traded at Rs 4000-4150 in Kota. Ex-factory rate at Jaipur varied

between 4100-4250. Mundra and Kandla port witnessed trading at Rs. 5000-4850 and 4800 respectively.

Groundnut meal

The prices of groundnut remain range bound with slight fluctuation in this week. This week saw some demand in the local market, as there was limited availability of mustard meal and soybean meal. Later on as the arrivals of these two commodity increases the prices fell marginally and varied between Rs. 6000-6150 (40%) and Rs. 6500-6700 per MT for 45 % protein content. The average arrivals of groundnut seed remain at 35000-40000 bags/day during the week. Due to firmness in other oils and combined with hike in the prices of Vanaspati may results into more crushing of groundnut which is expected to improve the prices of groundnut meal in coming days. There is some demand from the exporters as well

WEEKLY WEATHER WATCH

METEOROLOGICAL ANALYSIS

An upper air cyclonic circulation extending upto 0.9 km a.s.l. lay over northeastern states from 13th to 16th. Another upper air cyclonic circulation lay over West Bengal and adjoining Bihar on 17th & 18th. Under their influence, moisture incursion continued over northeastern States and West Bengal & Sikkim. A western disturbance moved across the Western Himalayan region during 16th to 19th. Under its influence, an induced upper air cyclonic circulation extending upto 2.1 km a.s.l. formed over West Rajasthan and adjoining central Pakistan on 15th. It lay over north Rajasthan and adjoining Punjab on 16th and over Haryana and adjoining West Uttar Pradesh on 17th & 18th and became less marked on 19th. A wind discontinuity/trough at 0.9 km a.s.l. running from central India to south Peninsula with embedded cyclonic circulation over Vidarbha and another over south Tamil Nadu was seen on many days of the week. Another wind discontinuity/trough at 0.9 km a.s.l. running from northeastern States to south Chhattisgarh was also seen on some days of the week. Towards end of the week, an upper air cyclonic circulation extending upto 1.5 km a.s.l. formed over central Pakistan and adjoining West Rajasthan on 19th.

RAINFALL

Light to moderate rain/thundershowers occurred at a few places over northeastern states and isolated over Gangetic West Bengal, Orissa, Chhattisgarh, Telangana and extreme south Peninsula during 13th to 15th. The rainfall activity

enhanced during second half from 16th when rain/thundershowers occurred at many places over northeastern state, Orissa, Chhattisgarh, Andhra Pradesh, Tamil Nadu, Kerala and South Interior Karnataka and at a few places over West Bengal & Sikkim, Vidarbha and isolated over East Madhya Pradesh, North Interior Karnataka, Madhya Maharashtra, Bihar and Jharkhand. Isolated heavy falls also occurred over coastal Andhra Pradesh and Telangana on 17th. During the 2nd half from 17th, isolated light to moderate rain/thundershowers also occurred over Western Himalayan Region, Punjab, Haryana, Rajasthan, Uttar Pradesh and West Madhya Pradesh. Dry weather prevailed in the rest regions of the country.

TEMPERATURES

Day temperatures were generally 1-2° C above normal in most parts of the country on 13th & 14th. Subsequently, due to the thundershower activity they fell markedly throughout the country. They were 8-10° C below normal over many parts of Orissa, Chhattisgarh and Andhra Pradesh on 16th & 17th. They were below normal by 6-8° C over many parts of Gangetic plains, central & east India and northeastern States and by 2-4 deg. C in the remaining parts of the country towards the end of the week.

RAINFALL DURING THE WEEK ENDING ON 19TH APRIL

2006: Rainfall was excess/normal in 18, deficient/scanty in 14, and no rain in 4 out of 36 meteorological sub-divisions (Actual: 13.5 mm, Normal: 9.9 mm and Departure: +37%).

CUMULATIVE SEASONAL RAINFALL (1ST MARCH TO 19^H APRIL, 2006): Rainfall was excess/normal in 24, deficient/scanty in 12 out of 36 meteorological sub-divisions. (Actual: 58.5 mm, Normal: 55.2 mm and Departure: +6%).

OUTLOOK FOR THE WEEK ENDING ON APRIL 26, 2006)

The rainfall activity will decrease over east & northeastern States. However, light to moderate scattered showers are likely to continue over Sub-Himalayan West Bengal & Sikkim,

Arunachal Pradesh, Assam & Meghalaya with some increase in rainfall towards the end of the week. Scattered rain/thundershowers also likely over Tamil Nadu, Kerala and isolated over rest Peninsula and adjoining interior Maharashtra during first half of the week. A feeble western disturbance may also likely to cause isolated rain/thundershowers over northwest India during first half of the week. The day temperatures are likely to increase significantly and may become near normal over many parts of the country.

Source: IMD, GOI.

Forex Rates (23.04.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.07
European Union	Euro	55.62
Japan	100 Yen	38.65
United Kingdom	GBP	80.30

All India Production of Oilseed Crops (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	33.5	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
Gujarat			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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