

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 February '06)

Indian Oilmeal export during the financial year 2005-06 (11months) increased by 48.08 % as compared to the export during the same period previous year. India exported 3613100 MT of Oilmeals during this period (April-January) according to SEA of India release. The main surge in export was seen in Castor meal (167%), Rice Bran Ex.(169%) and Soymeal(65.86%). However the export of GN meal were down during this period as compared to previous year by 8%. Mustard meal exports also fell by 14.6% during the period. Soymeal exports surged by

65.86% to 2712725 MT during the period, in February the export rose by a huge 234.4% to 587425 MT as compared to 175625 MT in last February. 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 dipped by 59% to 28750 MT in February, whereas total Mustard meal exports during the last 11 months slipped to 487275 MT, a fall of 14.6%. Groundnut meal export during February fell by 61.8% to mere 3850 MT.

Export of Oilmeal (Extractions) from April to February '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	99,250 366,625	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	160250 18,750	37250 17,300	8825 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	492950 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 .....	.... 1,096	14,175 10,825	548,725 216,846
February 2006	587425 175625	28750 70205	3850 10100	29425 ....	.... 1266	12800 15000	662250 272196
Total (Apr05-Feb'06) (Apr.04-Feb.'05)	2712725 1635500	487225 569280	107450 116725	115825 43056	750 4538	189425 70750	3613100 2439849
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 Futures Slip Down in CBOT

May Soybeans settled down 16.25 cents at \$5.715, 16.50 cents off the high and 0.75 cents up from the low. November Soybeans settled down 12.75 cents at \$6.0275, which was 1.75 cent up from the low and 12.75 cent off the high. May Soymeal settled down \$4.8 at \$174.6/ton that was \$0.6 up from the low and \$4.2 off the high. May Soybean Oil closed down 0.38 cents at 22.79 cents/pound, 0.46 cents off the high and 0.04 cents up from the low. Strong bearish news from soybean market combined with the news of dropping of corn acreage results into sharp decline of prices into the market. USDA projected soybean plantings at 76.89 million acres, which is well above the

average trade estimate of 74.21 million acres (range 73-75.4), while previous year planting remain at 72.1 million acres. March 1st stock were projected at 1.669 billion bushels as compared to 1.381 billion last year. Forecast of rain in Midwest during next few weeks and favourable weather for harvest in South America had a bearish impact on the sentiments. The increase in area may results into the jump in the world ending stocks near 800 million bushels which is much high as compared to the record high 565 million bushels last year. The stocks/usage would come in near 28.2% as compared to 20.3% this season. This would be the highest since 1985/86 and the second highest in history.

CBOT Soymeal Futures as on 31st March '06

Months	Previous Settle	Open	High	Low	Change	Close
May 06	179.4	178.3	178.8	174.0	-4.8	174.6
July 06	181.6	179.8	180.9	176.5	-4.8	176.8

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

Trades remain restricted this week on account of closure of this financial year. International scenario also looks bearish in advent of South American harvest. Nothing new is expected in soymeal till start of April. Stand still condition persists for most part of the week with slight fluctuation due to absence of any fresh news. Traders are keeping close eye on the after effect of VAT on different states and any clear picture will be clear in coming days. Medium term international scenario is expected to remain bearish on account of full swing harvesting in South America. Recent identification of H5N1 virus further pulled the prices down in domestic market during middle of the week. Indian poultry farms taking caution for booking any fresh demand for soymeal due to new case identified in MP. They are replacing soymeal by cheap rice bran for sustaining the life of poultry, there by increasing the demand of rice bran and simultaneous decrease of soymeal. Traders in the view that,

until now, bird flu doesn't affected domestic soymeal demand but if spread very fast then it will severely affect its demand and there by lowering its sales. In absence of any fresh news the condition is likely to persist over the week. Domestic demand of soy meal is likely to reduce in the coming week but positive sign could be seen on the export front. India's soymeal exports in March has soared to 750,000 tonnes, a record for the month, as a bird flu outbreak and buoyant supplies reduced domestic demand and brought down prices. Exports in the same month last year were 225,000 tonnes. Fast depleting stocks of soybean, current bearish international scenario and altogether had overall bearish impact on soymeal unless there could be any fresh demand from outside. Far East countries are looking towards India thereby seems some ray of hope for the exporters. The prices are likely to remain subdued until the demand for soymeal rekindles. Mustard is moving in range bound fashion with slight ups and downs. The main force to limit is downward fall is procurement by NAFED. This agency is distributing tokens to the farmers to limit any inconvenience and they are

well aware of the time of procurement, thereby holding the stocks and waiting for proper time to dispose their produce. At ports, Mumbai and Kandla witnessed very small trading during the period and prices remains steady as compared to

The soymeal prices at Indore spot market remain improved slightly compared with the previous week and ranged between 8000-8200. The prices at Kandla port decreased slightly from Rs 8700-8850 (Truck)-8650 (Rack) to Rs 8650 (Rack)-8700 (Motor) per MT during the period. The similar trend was observed at Mumbai port where buyers were quoting Rs 8550 by rack for a ton of soymeal as compared

the previous week. The prices are likely to remain subdued until the demand for soymeal rekindles.

to the previous week's quotes of Rs 8650 per MT. 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 buyers are at bargaining position. Also, the supplies from the South American crop harvest are putting pressure on export prices. We expect the prices to remain steady to slightly bearish.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	25.03.06	1.04.06
Indore	7900-8100	8000-8200
Nanded/Latur	7700-7800	7600-7800
Dhulia/Jalna	7900-8000	7900-8000
Kota	7850	7850
Kandla	8700-8850 (Truck)-8650 (Rack)	8650 (Rack)-8700 (Motor)
Mumbai	8650 (Rack)	8550 (Rack)
Vizag	8700 (Rack)	8650 (Rack)
Sangli	8500	8500

NCDEX Soy meal Futures price (1st April' 06)

Contract	Prev Close Price	High Price	Low Price	Close Price	Change
April 06	8200.0	8100.0	8100.0	8100.0	-100.0
May 06	8048.0	-	-	-	-

Soy Meal Vessel Report (1.04.06)

`Bright Dream' is expected at Kandla Port to load 5,000 MT of SBM to Far East. Patel Shipping agents will be handling the vessel. The port is expecting `Multi Trader' to load 15,500 MT of SBM. Taurus agents will be handling the vessel. The port is expecting `Luna Blue' to load 11,250 MT of SBM. JM Baxi agents will be handling the vessel. Loading of 6,400 MT of SBM is continuing at Kandla Port on the vessel `Lever Star' to Indonesia. The vessel is being handled by Interocean agents. `New Vega' has berthed at Jamnagar

Port and continues to load 12,000 MT of SBM to Singapore. Avni Shipping agents is handling the vessel. The port is loading 16,500 MT of SBM to China on the vessel `Iran Gheyamat'. Seacrest agents is handling the vessel. Loading of 13,000 MT of SBM is expected at Jamnagar Port on the vessel `Kibishio Maru' to Vietnam. JM Baxi agents will be handling the vessel. The port is expecting `Sunrise Ocean' to load 19,000 MT of SBM to China. Seacrest agents is handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Desti-nation
Kandla	Delfinaki	16000	Expected	New Zealand
	Bright Dream	5000	Expected	Far East
	Multi Trader	15500	Expected	

	Shang Yuan Men	13500	Loading	Korea
	Luna Blue	11250	Expected	
Jamnagar	Iran Mahallati	12600	Loading	China
	Sunrise Ocean	19000	Expected	China
	New Yega	12000	Arrived	Singapore
	Iran Gheyamat	16500	Loading	China
	Sin Chon	14000	Loading	Vietnam
	Lever Star	6400	Expected	Indonesia
	Kibishio Maru	13000	Expected	Vietnam
Mumbai	Indruwa Valley	2600	Expected	

Rape/ Mustard meal

Prices of mustard meal witnessed mixed sentiments this week and remain range bound today with slight fluctuation. The arrivals of Mustard seed in different mandis of Rajasthan decreased during later part of the week and were seen around 100000-125000 bags, while initially it varied from 200000-250000 bags. The procurement by government is going on at steady pace and has no major impact on the prices. However, mustard market is not finding much strength from these positive developments. The current scene is mostly favouring bears. This week mustard DOC prices decline in Morena at Rs 4200 per MT, whereas it was improved and traded at Rs 4800 in Kota. Mongla and Jaipur witnessed at Rs. 5000 and 4150 respectively.

WEEKLY WEATHER WATCH

Forecast valid for next 72 hours

Meteorological Analysis

A feeble western disturbance as an upper air system moved across western Himalayan region during 23rd and 24th. Its induced upper air cyclonic circulation extending upto 1.5 km a.s.l. was seen over central Rajasthan on 23rd and 24th. It lay over West Uttar Pradesh on 25th & 26th and subsequently moved away eastwards. Another western disturbance as an upper air system lay over Jammu & Kashmir on 25th. It persisted on 26th & 27th and moved away eastwards on 28th. An upper air cyclonic circulation extending upto 4.5 km a.s.l. lay over south Andaman sea and adjoining southeast Bay of Bengal on 23rd. It persisted on 24th and weakened thereafter. Another upper air cyclonic circulation extending upto 1.5 km a.s.l. lay over Tamil Nadu & neighbourhood on many days of the week. A wind discontinuity/trough running from Vidarbha to Tamil Nadu was seen on many days of the week. Another wind discontinuity/trough running from Sub-Himalayan West Bengal & Sikkim to Vidarbha across Orissa was seen on 27th and from Gangetic West Bengal to Vidarbha on 28th & 29th. An upper air cyclonic circulation extending in the lower tropospheric levels persisted over northeastern states on many days of the week.

Rainfall

Under the influence of above systems:

Groundnut meal

Stand still condition persists for groundnut meal and no major change could be noticed and traded in the same range as that of the previous week prices. Arrivals decreased on account of VAT in Gujarat in a view to hold stocks by stockist. They are in view of releasing the stock at higher prices which will have a impact on groundnut meal on coming day's. Average arrivals in this week ranged from 15000-25000 bags in Gujarat. Implementation of VAT might have a bullish impact over the meal and oil. The prices remain steady as compared to last week and GN meals (40%) traded at Rs 5600 on credit and Rs 6100 per MT on cash in Saurashtra.

Light to moderate rainfall/snowfall occurred at many places over Jammu & Kashmir and Himachal Pradesh and isolated over Uttaranchal during 25th to 28th. Isolated rain/thundershowers also occurred over Punjab, north Rajasthan and Haryana during 1st half of the week. Widespread rainfall with isolated heavy falls occurred over Nicobar islands during first half and isolated during the second half of the week. Isolated light to moderate rainfall/thundershowers occurred over Sub-Himalayan West Bengal & Sikkim, Assam, Meghalaya and Arunachal Pradesh on some days of the week. Isolated light rainfall also occurred over Chhattisgarh, Orissa, and Jharkhand during later half of the week. Isolated light rainfall occurred over Kerala on one or two days of the week. Weather was mainly dry over rest regions of the country.

Outlook For The Week Ending On APRIL 5, 2006

Under the influence of an approaching western disturbance, isolated to scattered rain/snow is likely over western Himalayan region during the middle of the week. Scattered rainfall activity accompanied with isolated hail/squall likely over northeastern states during 2nd half of the week.

Isolated rain/thundershowers also likely over Andaman & Nicobar islands and over extreme south peninsula during first half of the week. Temperatures over western & central India are likely to increase during the week.

Source: IMD, GOI.

Forex Rates (1.04.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.59
European Union	Euro	54.04
Japan	100 Yen	37.86
United Kingdom	GBP	77.48

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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