

## OILMEAL

3 June-10 June, 06

### MAJOR ACTIVITY HIGHLIGHTS

- India's Oil Meal Exports data of April' 06 - May' 06
- Latest Weather Watch

### NEWS ANALYSIS

#### Export of Oilmeal Increased This Year (April '06 to May '06)

The export of oil meals during May 2006 is reported 256,325 tons compared to 285,850 tons in May last year. The total export of oil meals during April to May 2006 is reported at 655,550 tons compared to 506,750 tons of last year i.e. up by 29% due to jumped in export of Soybean meal from 255,350 tons to 457,000 tons in first two months. The export during May 2006 observed increase in rapeseed DOC and groundnut DOC by 78.97% and 512.40% respectively while soybean meal, rice bran and castor witnessed decline by 10.26, 30.90 and 68.97 respectively

as compared to the same period last year. During the period of two months the total export of soybean, groundnut and rice bran increased by 78.97%, 93.58% and 51.27% respectively as compared to the total during the same period. Total export during April 2006-May 2006 for rapeseed and castor meal witnessed decline by 18.51% and 61.17% respectively. Main surge in the export is recorded in groundnut meal due to comparative lower prices and lower demand from the poultry industries.

#### Export of Oilmeal (Extractions) from April 06 to May '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 2006	316,925	53,425	12,400	5,650	---	10,825	399,225
	99,250	90,900	12,950	---	----	17,800	220,900
May 2006	140,075	77,400	18,525	4,750	---	15,575	256,325
	156,100	69,650	3,025	6,875	----	50,200	285,850
<b>Total</b>	<b>457,000</b>	<b>130,825</b>	<b>30,925</b>	<b>10,400</b>	<b>---</b>	<b>26,400</b>	<b>655,550</b>
	255,350	160,550	15,975	6,875	----	68,000	506,750
2005-0006(F.Y.)	3,424,600	533,275	137,925	125,325	750	201,150	4,423,025
2004-2005(F.Y.)	1,861,325	588,805	121,475	43,056	4,790	70,750	2,690,201
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

### FUNDAMENTAL ANALYSIS

#### INTERNATIONAL MARKETS

##### CBOT Soy Futures Settle Mixed

July Soybeans settled down 2 cents at \$5.8575/bushel, 6.75 cent off the high and 2.25 cent up from the low. November Soybeans settled down 1 cent at \$6.1525 /bushel that was 4 cent up from the low and 5.0 cent off the high. July Soybean meal settled down \$3.5 at \$176.6/ton, which was \$0.6 up from the low and 4.4 off the high. July Soybean Oil closed up 0.21cent at 24.86 cent/pound, 0.08 cent off the high and 0.24 cent up from the low. Soybean witnessed a high close and the outlook for good rains this weekend helped to limit the advance of soybean and meal. Good

weather forecast for the Midwest soybean crop results into the weakness in the sentiments as weather looks favourable for the early crop growth. Sell -off in corn and wheat market after a bullish USDA production forecast further added to its bearish tone. The USDA projected world ending stocks for the season 2005/2006 at 570 million bushels as compared with trade expectation near 571 million bushels (range 560-580) and compared with last month's record high ending stocks at 565 million bushels. The USDA projected world ending stocks for the season 2006/2007 at 655 million bushels (range 625-725).

## Weekly USDA Export Sales Report

This summary is based on reports from exporters for the period May 26-June 1, 2006. Net sales of 72,800 MT were 45 percent below the previous week and 34 percent under the prior 4-week average. The major buyers were Mexico (17,500 MT), Canada (13,500 MT), Algeria (7,000 MT), Colombia (6,800 MT), and Panama (6,700 MT). Exports of

80,500 MT were 46 percent below the week earlier and one-third under the prior 4-week average. The primary destinations were Mexico (24,000 MT), Canada (20,600 MT), Panama (8,800 MT), and Libya (8,000 MT).

## CBOT Soy meal Futures as on 9<sup>th</sup> June '06

Months	Previous Settle	Open	High	Low	Change	Close
June 06	180.1	181.0	181.0	176.0	-3.5	177.6
July 06	180.8	181.8	181.8	177.5	-3.1	177.7

CBOT Remains Close on Saturday and Sunday

## DOMESTIC MARKETS

### Soy meal

This week the prices of soy meal remain range bound as there were not much demand of soy meal in the domestic and export front. The stock of seeds getting short and crushing activities also reduced and most of the plants are working at their 30% capacity only. As per dealer 15 lakh ton of seeds are still available for crushing but still remains in strong hands. Weak export demand and gloomy condition of the poultry industry results into low demand of meal and therefore the prices remain range bound this week. The export of oil meals during May 2006 is reported 256,325 tons compared to 285,850 tons in May last year but total export of oil meals during April to May 2006 is reported at 655,550 tons compared to 506,750 tons of last year i.e. up by 29% due to jumped in export of Soybean meal from 255,350 tons to 457,000 tons in first two months. The prices at most of the locations remain stale in absence of any fresh demand. The activities at the port remain sluggish and waiting for any fresh demand to trickle in. Prices are likely to hover the same level unless there could be any news related to exports. Stagnancy in demand is mainly due to no fresh agreement on the export front and likely to continue the situation for some more time. Spot market prices at Indore, Datia, Shivpuri and Nanded/Latur varied between Rs. 8400-8600, 8700, 8700 and 8800-8900 respectively while prices at Nagpur (42/46), Sangli, Solapur and Kota the prices remain at Rs. 8600/8900, 9800, 9700 and 8900 respectively.

### Export of Oil meals Up by 29% During April-May 2006

The export of oil meals during May 2006 is reported 256,325 tons compared to 285,850 tons in May last year. The total export of oil meals during April to May 2006 is reported at 655,550 tons compared to 506,750 tons of last year i.e. up by 29% due to jumped in export of Soybean meal from 255,350 tons to 457,000 tons in first two months.

### Country-wise Export - April - May 2006

The export of soybean meal during April - May 2006 is reported at 457,000 tons mainly exported to Vietnam (125,425 tons), China (77,475 tons), South Korea (72,350 tons), Indonesia (70,925 tons) and Japan (65,725 tons). Rapeseed meal export during April - May 2006 is reported at 130,825 tons mainly exported to S. Korea (53,625 tons), followed by Taiwan (31,250 tons) and China (28,625 tons). Groundnut meal export during April to May 2006 is reported at 30,925 tons mainly exported to China. Taiwan is the main buyer for castor meal (17,725 tons) followed by South Korea (8,675 tons).

### Port-wise Export - April - May 2006

The export from Kandla is reported at 419,450 tons (64%), followed by Mumbai which handled 94,300 tons (15%), Bedi handled 85,850 tons (13%), Vizag handled 40,350 tons (6%), and Kakinada handled 15,600 tons (2%).

## DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	3.06.06	10.06.06
Indore	8400-8600	8400-8600
Nanded/Latur	8700-8800	8750
Dhulia/Jalna	8900-9000	8900
Kota	8950	8750
Kandla	9050 (Buyers)-9150 (Sellers)	9050 (Buyers)-9100 (Sellers)
Mumbai	9100 (Buyers)-9200 (Sellers)	9250 (Buyers)-9300 (Sellers)
Nagpur (42/46)	8200/8500	8600/8900
Sangli	9700	9800

## Soy Meal Vessel Report (10.06.06)

### Current vessel positions in different ports

'Eastern Sea' is arrived at the port to load 11,500 MT of SBM to Vietnam. Shantilal agents will be handling the vessel. Loading of 8,000 MT of SBM is continuing at Kandla Port on the vessel 'Kamo' to Japan. The port is expecting 'Tan Long' to load 6,500 MT of SBM. Sai Freight agents is handling the vessel. GAC agents is handling the vessel. Mumbai Port is expecting 'Emirates Star' to load 6,000 MT of SBM. Sai Shipping agents will be handling the vessel. Loading of 5,000 MT of SBM is expected at Jamnagar Port on the vessel 'Timberland' to Black Sea Port. Ambika agents will be

handling the vessel. 'Ruaha' has berthed at Kandla Port and continues to load 13,000 MT of SBM to Belawan. Loading of 13,500 MT of SBM is continuing at Kandla Port on the vessel 'Tinai' to Indonesia. Interocean agents is handling these vessels. Shantilal agents is handling the vessel. Loading of 13,650 MT of SBM is continuing at Kandla Port on the vessel 'IKI' to Japan. Sea Trade agents is handling the vessel. Al Mansoor I has berthed at Mumbai port and continues to load 6,500 MT of SBM. Sai Freight agents is handling the vessel.

### Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Destination
Kandla	Delfinaki	16000	Expected	New Zealand
	IKBI	8000	Loading	Japan
	Tan Long	6500	Expected	
	Eastern Sea	11500	Arrived	Vietnam
	Bright Dream	5000	Expected	Far East
	Luna Blue	11250	Expected	
	Ruaha	13000	Loading	Belawan
	Kamo	8000	Loading	Japan
Jamnagar	Sunrise Ocean	19000	Expected	China
	Lever Star	6400	Expected	Indonesia
	Timberland	5000	Expected	Black Sea Port
Mumbai	Badulu Valley	3500	Loading	
	Emirates Star	6000	Loading	
	Al Mansoor I	6500	Arrived	

### Rape/ Mustard meal

Ex-factory prices of Mustard DOC remains steady at different centers while at ports high activities could be noticed owing to the loading in two vessels for export to Far East countries. The Kandla port is also waiting for two more vessels to come in the next week. The prices remain range bound at Rs. 4150-4250 in Morina, while prices at Kota varied at Rs. 3900-4100

respectively. Ex-factory rate at Jaipur hover around at Rs. 4150-4250. Prices range between Kandla, Mundra and Jamnagar port at Rs. 4750-4800, 4800-4850 and 4600-4675 respectively. The prices however expected to remain range bound with slight increase in near term amid expectation of arrivals of two new vessels at the ports.

### Groundnut meal

The prices of the groundnut DOC improved this week amid high demand from dairy industry in Gujarat as Amulya and other dairy company purchasing groundnut DOC. Emerging demand from the poultry industry in Punjab and Haryana helped to lift the prices up, as groundnut meal is available on credit. Activities at the port remain moderate to high in the

wake of good demand and low availability of seeds. Low crushing of seeds results into scarcity of the meal and DOC. The prices are expected to hover around the same level. The prices of groundnut meal (40%) by cash basis varied between Rs. 7000 while 45% ranged between 7500 per MT in Saurashtra.

## WEEKLY WEATHER WATCH

### Monsoon Watch:

Monsoon continues to be in weak phase with subdued rainfall activity prevailing over most parts of the country, except Northeastern States where fairly widespread rains with isolated heavy falls are reported. Model predictions available for the

period upto 17th June, do not indicate possibility of revival of monsoon and hence continuance of such a scenario till 17th June. As predicted, due to continued dry weather conditions and dominance of westerly winds, heatwave conditions have developed over north Rajasthan and adjoining Haryana where

day temperature are reported to have crossed 45°C mark at some places. The day temperature over rest of plains of northwest India, Uttar Pradesh and adjoining Madhya Pradesh are prevailing between 41-43°C. They are likely to increase further with possibility of development heat waves in some of these areas. The eastern parts e.g. Bihar, Jharkhand, Orissa and West Bengal may also experience rise in temperatures during next 2-3 days.

#### Weather Outlook:

Chief amount of rainfall (cm) during past 24 hours reported at 08.30 am today are: Cherrapunji-19, Silchar-8, Honawar & Dhubri-7 each, Agartala, Passighat & Ratnagiri- 4 each, Kailashahar & Car Nicobar-3 each, Shillong, Tezpur & Harnai-2 each. The prevailing western disturbance over J&K is expected to cause isolated to scattered rains/snowfall over hilly regions of NW India during next 48 hours before moving eastward.

**Heavy Rainfall Warning:** Isolated heavy to very heavy rainfall is likely over northeastern States.

#### Zone-wise weather forecast:

**NORTH & NORTH-WEST INDIA:** Under the influence of western disturbances, J&K, H.P. and Uttranchal are likely to receive isolated rainfall/snowfall during next 24 hours.

**EAST AND NE INDIA:** Fairly widespread rains/thundershowers are likely over NE States and isolated to scattered over rest areas of the region except over East UP where it may be mainly dry during next 4-5 days.

**CENTRAL INDIA:** Isolated rains /thundershowers are expected over Chhattisgarh and mainly dry weather over rest of the region during next 3-4 days.

**SOUTH INDIA:** Scattered rainfall is likely over Andaman & Nicobar Islands, Kerala, Lakshadweep and Coastal Karnataka and isolated over rest areas of the region.

**WEST INDIA:** Konkan & Goa may receive isolated to scattered rains during next 3-4 days. Other areas of the region are likely to experience mainly dry weather during this period.

**Source: NCMRWF, GOI.**

#### Forex Rates (10.06.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.85
European Union	Euro	57.90
Japan	100 Yen	40.20
United Kingdom	GBP	84.43

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