

## OILMEAL

8 July-15 July, 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 Improved on High Crush Demand

November Soybeans settled up 3 cent at \$6.25/bushel, 4.75 cent off the high and 8 cent up from the low. August Soybeans settled up 2.75 cent at \$6.03/bushel, which was 7.50 cent up from the low and 4.50 cent off the high. December Soybean meal settled up \$0.2 at \$176.6/ton that was \$1.6 up from the low and \$1.7 off the high. December Soybean Oil closed up 0.25 cent at 28.33 cent/pound, 0.12 cent off the high and 0.28 cent up from the low. Strong crush demand combined with the fact of concern on weather for long term results into speculative buying. Fund

buyers dominated the session and remain near 4500 soybean contracts to support the higher close for the session. The NOPA monthly crush report reveals June crush at 131.3 million bushels as compared with trade expectations at 126 to 131 million bushels. The higher crush pace was considered a supportive demand factor for soybeans. June soy oil remain at 2.542 billion pounds as compared with trade expectations near 2.456 billion pounds.

## Weekly USDA Export Sales Report

USDA Weekly Export sales figure released on Thursday i.e. July 6 29,2006. This summary is based on the above-mentioned reports for the period June 23-29, 2006. Soybean Cake and Meal: Net sales of 90,800 MT were 17 percent below the previous week and 19 percent under the prior 4-week average. Major increases were reported for Mexico (39,300 MT), Canada (10,600 MT), Japan (10,100 MT), and Guatemala (8,500 MT). Sales of 66,600 MT for

delivery in 2006/07 were mainly for Guatemala (66,000 MT). Exports of 109,100 MT were 70 percent above the week earlier and 1 percent over the prior 4-week average. The primary destinations were Mexico (36,400 MT), Canada (20,900 MT), Japan (17,800 MT), and Panama (10,900 MT).

## CBOT Soy meal Futures as on 15<sup>th</sup> July '06

Months	Previous Settle	Open	High	Low	Change	Close
July 06	171.0	170.8	172.5	170.7	+0.3	171.3
Aug 06	172.1	171.7	174.0	171.5	+0.1	172.2

CBOT Remains Close on Saturday and Sunday

## DOMESTIC MARKETS

### Soy meal

The domestic prices of soymeal remain range bound this week and waiting for some more demand from the Far East countries. The prices remain stagnant in major domestic centers and at relatively cheaper rate thereby creating favourable condition for attracting exporters. The price is expected to increase in near terms amid low container size and comparative international prices. India is expecting some consignment from China as well due to low production and acreage. Apart from this, proximity is another factor giving edge to Indian exporters. Exporters expect the export demand of soymeal could rekindle after 2<sup>nd</sup> fortnight of August. Demand for the same remained weak in domestic markets from the feed industry, for which traders blame to seasonality. Export of soymeal in the last quarter (April to June 2006) was up at 565,975 MT against

371,100 MT during the corresponding period last year. Export, however remained slightly low in June on year basis. SEA has estimated soybean export in June at 108,975 MT down against 115,750 MT. Maximum 45,125 MT of soymeal was exported to Vietnam in June 2006, which is followed by 17425 MT of export to Thailand. Spot market prices this week at Indore, Datia, Shivpuri and Nanded/Latur ranged from Rs. 8300-8600, 8700-8800, 8600-8700 and 8600-8800 respectively while prices at Nagpur (42/46), Sangli, Solapur and Kota the prices remain at Rs. 8500/8800, 9300-9500, 9200-9400 and 8500-8600 respectively.

### DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	8.07.06	15.07.06
Indore	8400-8600	8300-8500
Nanded/Latur	8800	8500
Dhulia/Jalna	8850-8890	8850-8900
Kota	8600-8700	8600
Kandla	9050-9100	9050 (S)- 9100 (B)
Mumbai	-	9300 (S)- 9300 (B)
Nagpur (42/46)	8500-8800	8200/8500
Sangli	9500	9300

## Soy Meal Vessel Report (15.07.06)

### Current vessel positions in different ports

Kandla Port is loading 16,500 MT of SBM on the vessel 'Thor Traveller' to Vietnam. The vessel is being handled by Interocean agents. 'Dagat Blue' has berthed at Kandla Port and continues to load 11,000 MT of SBM to Indonesia. JM Baxi agents is handling the vessel. The port is loading 6,200 MT of SBM on the vessel 'Yayasan Tujoh' to Malaysia. The

vessel is being handled by Interocean agents. Loading of 9,000 MT of SBM is expected at Kandla Port on the vessel 'Asian Rose' to Japan. The vessel will be handled by Taurus agents.

### Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Destination
Kandla	Delfinaki	16000	Expected	New Zealand
	Yayasan Tujoh	6200	Loading	Malaysia
	Thor Traveller	16500	Loading	Vietnam
	Dagat Blue	11000	Arrived	Indonesia
	Tay Sun II	12000	Expected	Vietnam
	Asian Rose	9000	Expected	Japan
Jamnagar	Sunrise Ocean	19000	Expected	China
	Lever Star	6400	Expected	Indonesia
	Timberland	5000	Expected	Black Sea Port
Mumbai	Badulu Valley	3500	Loading	

### Rape/ Mustard meal

The prices of mustard DOC remain range bound in the week under review at various centers. The prices at various center maintains its higher level amid moderate demand from the Far East countries. High activity could be witnessed in the ports as loading of mustard DOC continued in the vessel. Export of rapeseed meal has been slightly low in the last quarter on year basis. SEA estimated export of rapeseed meal in 210,725 MT, down against 214,525 MT during the corresponding period last year. Substantial rise in export was seen in last month. Export

of rapeseed meal in June totaled at 79,900 MT, up against 53,975 MT a year ago. The prices at Morena and Kota varied at Rs 4200-4250 and 3900-4000. The recent hike in the mustard seed prices kept the DOC prices remain on the higher levels. The DOC prices at Kandla, Mundra and Jamnagar remain at Rs. 4800-4900, 4900-4950 and 4750-4800 respectively. The prices are expected to remain on the higher levels till the demand continues.

### Groundnut meal

The prices of the groundnut DOC this week remain on the higher level amid low availability of groundnut meal. In international market, demand for all kind of meal has been good from China. Crushing has been scaled low in China due to disparity. For its feed requirement, china has been importing meal from Indian subcontinent. In June, China imported 12,175 MT of groundnut meal from India. Demand however, is weak in domestic Indian markets. Prices are high in local markets due to good export demand and low availability of seed due to off-

season. Sowing of seed is nearing completion in Saurashtra. Recent spell of rains in Saurashtra helped replenishing soil enough moisture. Weather is perfect for the crop growth. Sowing of kharif crop has been done in more than 80% area in Saurashtra. Groundnut meal is likely to hover high in coming week. The prices of groundnut meal (40%) were ranged between Rs. 6700-6800 while 45% was offered at 7200-7400 per MT in Saurashtra.

## WEEKLY WEATHER WATCH

### CHIEF FEATURES

Yesterday's low pressure area over head Bay of Bengal and adjoining Gangetic West Bengal moved in a west-northwesterly direction and now lies over Jharkhand & neighbourhood as a well marked low pressure area. It is likely to move in a west-northwesterly direction. Under its influence widespread rainfall activity with scattered heavy to very heavy falls is likely over Jharkhand, Chhattisgarh, Orissa and East Madhya Pradesh during next 24 hrs. Subsequently the rainfall activity is likely to increase over West Madhya Pradesh and adjoining Uttar Pradesh. Isolated heavy rainfall activity is expected over northwest India during next 3-4 days. Chief amount of rainfall (cm) reported during past 24 hrs are Jamshedpur-14, Champa-13, Ranchi-9, Mukteswar, Mayabander, Madikeri & Pendra-5 each, Kolkata-4, Baharaich, Satna & Canning Town- 3 each. Ongoing fairly widespread rainfall activity along the west coast is likely to increase during next 2-3 days especially over Konkan & Goa including Mumbai. Rainfall activities over

peninsula are likely increase during next 3-4 days. A western disturbance is likely to approach northwest India around 21 July 2006. Rainfall activity may increase from 21 July over Northwest India.

**NORTH-WEST INDIA:** Isolated rainfall is expected over northwest India during next 3 days. Rainfall activity may increase from 21 July 2006

**NORTHEAST INDIA:** Widespread rainfall with isolated heavy rains are likely over Orissa, West Bengal, Jharkhand during next 2-3 days. Scattered rainfall are expected over East U.P., Bihar and NE States.

**SOUTH INDIA:** Fairly widespread with isolated heavy rainfall is likely over Kerala and coastal Karnataka, during next 48 hrs. Scattered rainfall is likely over Tamilnadu and Karnataka during next 24 hrs. Rainfall activity may increase after 17 July 06.

**WEST INDIA:** Widespread with isolated heavy rainfall is likely to continue over Konkan & Goa. Madhya Maharashtra, Marathwada and Gujarat, are also likely to receive isolated

rainfall during next 2 days. Rainfall activity may increase thereafter. Fairly widespread rainfall is likely over East Rajasthan after 2 days.

**CENTRAL INDIA:** Fairly widespread with isolated heavy rainfall is likely over Chhattisgarh and East Madhya Pradesh during next 2 days then may extend to west M.P. Scattered to fairly widespread rainfall is likely over Vidarbha after 48 hrs.

**HEAVY RAINFALL WARNING:** Heavy to very heavy rainfall is likely at a few places over Gangetic West Bengal and Orissa. Isolated heavy to very heavy rainfall also likely over Coastal Karnataka, Konkan & Goa, Jharkhand, Chhattisgarh and East Uttar Pradesh. **Outlook for subsequent two days from 18 th**

**July 2006 (Based on numerical weather products):** Decrease in rainfall activity over east India. Fairly widespread rainfall likely to continue along the west coast and over central India

**Heavy Rainfall Warning:** Heavy to very heavy rainfall is likely at a few places over Chhattisgarh, Jharkhand and East Madhya Pradesh. Isolated heavy to very heavy rainfall also likely over Coastal Karnataka, Konkan & Goa, Orissa and East Uttar Pradesh.

**Source: NCMRWF, GOI.**

#### Forex Rates (15.07.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.20
European Union	Euro	58.40
Japan	100 Yen	39.78
United Kingdom	GBP	84.83

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