

OILMEAL

12 June-19 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
Total	457,000	130,825	30,925	10,400	---	26,400	655,550
	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 Remain Mixed

July Soybeans settled down 7.75 cent at \$6.25/bushel, 0.75 cent off the high and 6.75 cent up from the low. November Soybeans settled up 6.50 cent at \$6.27/bushel, which was 6.50 cent up from the low and 0.50 cent off the high. July Soybean meal closed up \$1.8 at \$180.9/ton that was \$1.6 up from the low and \$0.4 off the high. July Soybean Oil finished up 0.04 cent at 24.86 cent/pound, 0.14 cent off the high and 0.2 cent up from the low. November soybeans closed 11.50 cent cents higher on the week, December meal gained \$4.30 and December oil was down 4 points for the week. Funds were noted buyers of near 2,000 contracts

into the mid-session. Strength in the outside markets along with a lack of follow-through speculative selling in soybeans in spite of what appears to be good weather for the weekend helped support a continued short-covering bounce this morning. Ideas that fund traders are covering shorts in meal and soybeans provided underlying support. Talk of the first Asia rust report of the year in Florida provided some psychological support. South Korea bought 55,000 tonnes of soybeans from Brazil overnight and also 50,000 tonnes of soybeans from the US which helped support. While there is rain in the forecast for the weekend across the Midwest, uncertainty as to the longer-term

forecast for Monday morning has provided additional

support for the market as speculators buy and shorts cover.

Weekly USDA Export Sales Report

Net sales of 182,700 MT were two and one-half times the previous week and 62 percent over the prior 4-week average. Major increases for Mexico (96,900 MT), Chile (45,200 MT), the Philippines (24,600 MT), and the Dominican Republic (10,400 MT) were partially offset by decreases for unknown destinations (24,000 MT). Sales of 8,400 MT for delivery in 2006/07 were

for Mexico (4,400 MT) and Nicaragua (4,000 MT). Exports of 171,700 MT were more than two and one-tenth times the week earlier and 38 percent above the prior 4-week average. The primary destinations were Chile (45,200 MT), the Philippines (24,600 MT), Mexico (23,700 MT), Canada (17,200 MT), Turkey (13,900 MT), and Japan (13,200 MT).

CBOT Soy meal Futures as on 19th June '06

Months	Previous Settle	Open	High	Low	Change	Close
July 06	179.1	180.2	181.3	179.3	+1.8	181.0
Aug 06	180.2	181.5	182.3	180.3	+1.7	182.0

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

Standstill condition persists this week in various centers in absence of any fresh news. The prices at different centers remain steady on lower domestic and export demand. The stock of seeds getting short and crushing activities also reduced and most of the plants are working at their 30% capacity only. 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 prices at most of the locations remain stale in absence of any fresh demand. Weakness in CBOT also had a bearish impact on the market. 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. 8400-8700, 8700, 8700 and 8800-9000 respectively while prices at Nagpur (42/46), Sangli, Solapur and Kota the prices remain at Rs. 8600/8900, 9800, 9500-9700 and 8750 respectively.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	12.06.06	19.06.06
Indore	8400-8600	8500-8700
Nanded/Latur	9600-9800	9000
Dhulia/Jalna	8900-9000	8950
Kota	8750	8750
Kandla	9050 (Buyers)-9100 (Sellers)	9100 (Buyers)-9150 (Sellers)
Mumbai	9250 (Buyers)-9300 (Sellers)	9250 (Buyers)-9300 (Sellers)
Nagpur (42/46)	9200-9600	8600/8900
Sangli	9700	9800

Soy Meal Vessel Report (19.06.06)

Current vessel positions in different ports

Kandla Port is loading 12,000 MT of SBM to Vietnam on the vessel 'Tay Sun II'. Shantilal agents is handling the vessel. The port is expecting 'Tay Sun II' to load 12,000 MT of 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	Desti-nation
Kandla	Delfinaki	16000	Expected	New Zealand
	Tay Sun II'	12,000	Expected	Vietnam
	Zara III	17000	Loading	Karachi
	Tay Sun II	12000	Expected	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

Mustard DOC prices remain steady at different centers. Improved activities recorded in various ports thereby holding the prices at higher levels. The prices remain steady at Rs. 4300 in Morina, while prices at Kota remain steady at Rs. 4100.

Ex-factory rate at Jaipur observed at Rs. 4250. Prices remain in Kandla, Mundra and Jamnagar port remains at Rs. 4850, 4950 and 4800 respectively. The prices however expected to remain range bound in near term.

Groundnut meal

Standstill condition persists in the prices of groundnut DOC. Groundnut meal is the principal raw material for the preparation of groundnut DOC. According to traders Monsoon may play a crucial role in the market in coming days, as there are chances to increase in demand in rainy season. 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. 7100 while 45% ranged between 7450 per MT in Saurashtra.

WEEKLY WEATHER WATCH

Monsoon Watch:

The country witnessed weak southwest monsoon conditions and subdued rainfall for more than past 10 days. The prevailing conditions of weak monsoon may continue during next 24-36 Hrs. Thereafter, model predictions suggest that the favourable conditions are likely to develop for possible revival of southwest monsoon over south peninsular India in next 48 Hrs. However revival of monsoon may not of classical type. Subsequently the monsoon flow is expected to strengthen. Chief amount of rainfall (cm) during past 24 hours reported at 08:30 am today are: Minicoy & Maya Bandar-7, Pune (AP)-6, Hut Bay & Port Blair-5 each, Ganganagar & Chitradurga-4 each, Nancowry, Satara & Bangalore (AP)- 3 each.

Weather Outlook:

Western disturbances prevailed over J&K and adjoining region during past week. At present a western disturbance lies over J&K, H.P. and adjoining hilly region. This W.D. is likely to move away in eastward direction in next 24-36 Hrs. Under its influence ongoing rainfall/snowfall activity over J&K, H.P. and Uttaranchal is expected to continue during next 24-36 Hrs. and reduce significantly thereafter. Adjoining plains of NW India viz. Punjab and Haryana including Delhi are likely to receive isolated rain/thundershowers during next 24 Hrs.

Heavy Rainfall Warning: Isolated heavy rainfall is likely over Lakshadweep, Kerala and coastal Karnataka during 21-22 June.

Zone-wise weather forecast:

NORTH & NORTH-WEST INDIA: Scattered to fairly widespread rain/snowfall is expected to continue over J&K, H.P. and Uttranchal during next 24-36 Hrs and reduce significantly thereafter. Adjoining plains of NW India viz. Punjab and Haryana including Delhi are likely to receive isolated rain/thundershowers during next 24 Hrs.

EAST AND NE INDIA: Fairly widespread rains / thundershowers with isolated heavy rains are likely over NE States and isolated to scattered over rest areas of the region. Rainfall activity is expected to increase over Orissa, West Bengal, Bihar, Jharkhand and east U.P. towards end of the week.

CENTRAL INDIA: The region is likely to experience isolated rains during next 3 days. Subsequently, Vidarbha, Chattisgarh and east M.P. may receive scattered to fairly wide spread rains.

SOUTH INDIA: Scattered rainfall is likely over Andaman & Nicobar Islands, Kerala, Lakshadweep and Coastal Karnataka and isolated over rest areas of the region during next 24-36 Hrs. Subsequently rainfall is likely to enhance.

WEST INDIA: Konkan & Goa may receive isolated to scattered rains during next 2-3 days. Other areas of the region are likely to experience mainly dry weather during this period. Subsequently, rainfall over Konkan & Goa is likely to enhance to fairly widespread.

Source: NCMRWF, GOI.

Forex Rates (19.06.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.89
European Union	Euro	57.78
Japan	100 Yen	39.70
United Kingdom	GBP	84.65

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