

OILMEAL

26 June-03 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
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 Settle Higher

November Soybeans settled up 13 cent at \$622.50/bushel, 6.50 cent off the high and 11.75 cent up from the low. August Soybeans settled up 11.50 cent at \$600.50/bushel, that was 11.25 cent up from the low and 6.50 cent off the high. December Soybean meal settled up \$4.7 at \$182.0/ton, that was \$2.5 up from the low and \$0.5 off the high. December Soybean Oil closed up 0.56 cent at 27.27 cent/pound, 0.45 cent off the high and 0.44 cent up from the low. Soybean Market bounced back to the record level since June 16th opened strong and traded as much as 19 1/4 cents higher

on the day. Potentially stressful growing conditions for the western Corn Belt along with supportive demand news and lower planted acreage were the main drivers to support the market early in the session. The USDA clarified soybean plantings at 74.93 million acres as compared with the average trade estimate of 75.16 million acres (range 74.2-75.8). June 1st stocks were pegged at 990.14 million bushels as compared with trade expectations at near 1.016 billion bushels (range 998-1.04). Weather will remain crucial and will provide sensitivity to trade because of lower expected planted acreage along with better than expected demand. Deliveries on first notice day for July soybeans

came in at 2,176 contracts from trade expectations at 500 to 3,000 contracts. Oil deliveries were 1,552 contracts from 1,000-3,000 expected, and meal deliveries were posted for

711 contracts from 300-400 expected. Taiwan passed on a tender to buy 30,000-60,000 tonnes of US or Brazil soybeans overnight.

Weekly USDA Export Sales Report

This Summary is based on reports from exporters for the period June 16-22, 2006. Net Sales of 109,500 MT were 30 percent above the previous week, but 7 percent under the prior 4-week average. Major increase was reported for Mexico (38,100 MT), Australia (27,500 MT, switched from New Zealand), Saudi Arabia (23,500 MT), and Canada (17,800 MT). Decrease of 27,500 MT was reported for New

Zealand. Sales of 30,900 MT for delivery in 2006/07 were mainly for Canada (30,100 MT). Exports of 64,300 MT were 43 percent below the week earlier and 50 percent under the prior 4-week average. The primary destinations were Canada (21,200 MT), Mexico (19,000 MT), and the Dominican Republic (13,800 MT).

CBOT Soy meal Futures as on 03rd July '06

Months	Previous Settle	Open	High	Low	Change	Close
July 06	174.6	176.5	177.2	174.5	+1.1	176.0
Aug 06	176.5	178.5	178.9	176.1	+0.9	177.5

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

Spot market prices remain sideways at most of the centers last week and waiting for any fresh news to act on. Prices are likely to hover the same level unless there could be any news related to exports. Weak demand of the meal in export front had a bearish impact on the market. Stagnancy in demand is mainly due to no fresh agreement on the export front and likely to continue the situation for some more time. The prices at this stage stuck in absence of any fresh news. Soy meal prices at various locations are stable and traded range bound in most of the places today. Thinning up in demand at the spot market combined with poor activities result into the abating in prices. Spot market prices at Indore, Datia, Shivrpur and Nanded/Latur varied between Rs. 8500-8700, 8750-8800, 8600 and 8800

respectively while prices at Nagpur (42/46), Sangli, Solapur and Kota the prices remain at Rs. 8400/8800, 9500-9600, 9400/9500 and 8600-8700 respectively.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	26.06.06	03.07.06
Indore	8500-8700	8500-8600
Nanded/Latur	8800	8800
Dhulia/Jalna	8850-8900	8850-8900
Kota	8750	8600-8700
Kandla	9150 (Buyers)-9200 (Sellers)	9200 (Buyers)-9300 (Sellers)
Mumbai	9150 (Buyers)-9250 (Sellers)	9300 (Buyers)-9400 (Sellers)
Nagpur (42/46)	8400-8800	8500-8800
Sangli	9600	9500

Soy Meal Vessel Report (03.07.06)

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. Intercean agents is handling these vessels. Shantilal agents is handling the vessel. Loading of **Current Vessel Position**

Ports	Vessels	Vol. (MT)	Status	Desti-nation
Kandla	Delfinaki	16000	Expected	New Zealand
	Tay Sun II'	12,000	Expected	Vietnam
	Tay Sun II	12000	Expected	Vietnam
	Bright Dream	5000	Expected	Far East
	Luna Blue	11250	Expected	
	Ruaha	13000	Loading	Belawan
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	

13,650 MT of SBM is continuing at Kandla Port on the vessel 'IKI' to Japan. Sea Trade agents is handling the vessel.

Rape/ Mustard meal

Mustard DOC prices remain steady at different centers. Sluggish activities recorded in various ports thereby holding the prices at range bound. The prices remain steady at Rs. 4250 in Morina, while prices at Kota remain steady at Rs. 4050. Ex-factory rate at Jaipur

observed at Rs. 4150-4200. Kandla port remains at Rs. 4750 and Mundra at Rs. 4800 whereas no buying at Jamnagar. The prices however expected to remain range bound in near term.

Groundnut meal

Domestic consumption of groundnut meal continues to show a sluggish growth along with prospects for exports are not bright in the current scenario. Standstill condition persists in the prices of groundnut DOC. Groundnut meal is the principal raw material for the preparation of groundnut DOC. there was a degree of skepticism in the estimate, as trade experts were not

so optimistic about the crop size this year. 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. 6900-7000 while 45% ranged between 7500-7600 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 Uttaranchal 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 (03.07.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.98
European Union	Euro	58.76
Japan	100 Yen	40.16
United Kingdom	GBP	84.94

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