

OILMEAL

September 30th, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Markets Remained Weak on Fresh Arrivals
- Mustard Meal Weak on Poor Demand

DOMESTIC MARKET

Soy meal

A weak tone is prevailed in majority of soymeal market on fresh arrivals in some markets..About 600,000-700,000 metric tons of soymeal is exported from India to Southeast Asian countries at \$225-\$235 a ton on cost and freight basis. China scrapped an import duty on Indian soymeal and this led to wide the export market to China. However, India's export of soymeal to Pakistan is likely to drop in the marketing year starting October. In the year ending September 2006, India has exported higher amount around 70,000-100,000 tonne of soymeal to Pakistan as compared to previous year. However, the drop in the coming days due to the reason of rising the extraction of canola seeds in Pakistan. The import of canola seed is increasing and is likely to rise to 900,000 tonne by year-end. However, the Indian soymeal has good export demand for poultry feed due to its nutritive value.

DOC of Soybean rates at different centers

Places	Ex-factory rates (Rs/ton)		
	29.09.06	28.09.06	Parity To
Indore (MP)	7900-8200	8000-8300	Guj, MP
Datia (MP)	8700	8600	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	8200	8300	Up, Bihar, Bengal, Nepal
Nanded/Latur	8900-900	9000	Andhra, AP, Kar, TN
Dhulia/Jalna	8600	8600	Mumbai Maharashtra
Nagpur (42/46)	8200-8500	8300-8700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	8800-8900	8900	Local and South
Solapur	8900	8900	Local and South
Kota	8300	8400	Rajasthan, Del, Punjab, Haryana
Dharwar	8700	-	

DOC Port rate at different centers

Centers	FOR Price	
	29.09.06	28.09.06
Kandla	9000	8800
Mumbai	9000	8700

Current vessel positions in different ports

Loading of 11,000 MT of SBM is continuing at Jamnagar Port on the vessel 'Dagat Blue' to Vietnam. The vessel is being handled by InterOcean agents. 'Jasmine Ace' has berthed at Jamnagar Port and continues to load 8,000 MT of SBM to Japan. Overseas agents is handling the vessel.

'Surplus' is expected at Mumbai Port to load 6,000 MT of SBM. Chowgule agents will be handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Desti-Nation
Jamnagar	Dagat Blue	11.000	Loading	Vietnam
Jamnagar	'Jasmine Ace'	8000	Berthed	Japan

Rape/ Mustard Meal

Weak sentiment is witnessed in majority of domestic market in the country on lack of demand. Exporters are reportedly covered for their immediate demand and this triggered the export demand to down. Also, lower price offered by Nafed has also restricting the market sentiments. Nafed is selling mustard in Rajasthan at Rs 1600 per qtl. For new stocks and Rs. 1500-1525 for old stocks. Crushing is continuing as demand for Kachi ghani is good from eastern states. The DOC prices at Kandla is quoted lower at Rs. 4750 in [PP bags] and in Mudra it is offered at Rs. 5050. Prices for the same at Jamnagar were quoted at Rs 4650 per ton. Jaipur market was offered the same at lower of Rs.3800 per ton. Kota quoted the same at Rs. 3800 per ton. Steady to weak tone likely to prevailed in the market. Datia Rs. 4200.

Sunflower Meal Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	29.09.06	28.09.06
Chalisgaon	-	-
Khamgaon	-	-
Rudrapur	4800	4800
Parli/Latur/Nanded	5500	5500

Groundnut DOC

The groundnut market marginally eased on subdued demand. Stock position is good. The price is likely to decline further on October due to fresh arrivals. However, 18% drop in groundnut sowing is reported. Area under groundnut till August end stood at 4.5 million hectare.

Groundnut sowing has been affected in Andhra, which received sparse rainfall during most part of July and August. The area under soybean cultivation, meanwhile, is up 4% on year at 8.0 million hectare, which is 21% more than the normal area under the crop. Higher soybean cultivation has been reported in Gujarat, Madhya Pradesh and Maharashtra.

It is expected to improve as cultivation is still continuing in Madhya Pradesh. Rainy season also weaken the market tone. The export demand is also reportedly steady at some lower side. The prices of groundnut meal (40%) were quoted steady at Rs. 6800 while 45% was offered also steady at 7500 per MT in Rajkot.

CBOT Soy Meal Futures as on September 28th.

Month	Open	High	Low	Close	Chg
Oct06	160.6	162.4	160.1	162.1	+1.7
Dec06	162.0	163.8	161.3	163.2	+1.7

Monsoon Outlook (29.09.06)

- The well marked low pressure area over eastcentral and adjoining northeast Bay of Bengal concentrated into a depression last evening. Moving west-northwestwards, the it lay centred at 0830 hrs IST of today near lat. 19.0° N and long. 86.0° E aboput 125 km east-southeast of Gopalpur. The system is likely to move in a west-northwesterly direction and cross Orissa coast near Gopalpur around noon of today.

Under its influence, widespread rainfall with heavy to very heavy falls at a few places are likely over Orissa, north Coastal Andhra Pradesh and north Telangana. Fairly widespread rainfall with isolated heavy to very heavy falls are also likely over Gangetic West Bengal and Chhattisgarh during next 24 hours. Squally winds with speed raching 50-60 kmph are also likely along and off West Bengal, Orissa and north Andhra Pradesh coasts during next 24 hours. The sea condition will be rough to very rough along and off West Bengal, Orissa and north Andhra Pradesh coasts. The fishermen are advised not to venture into the sea.

Heavy Rainfall Warning:

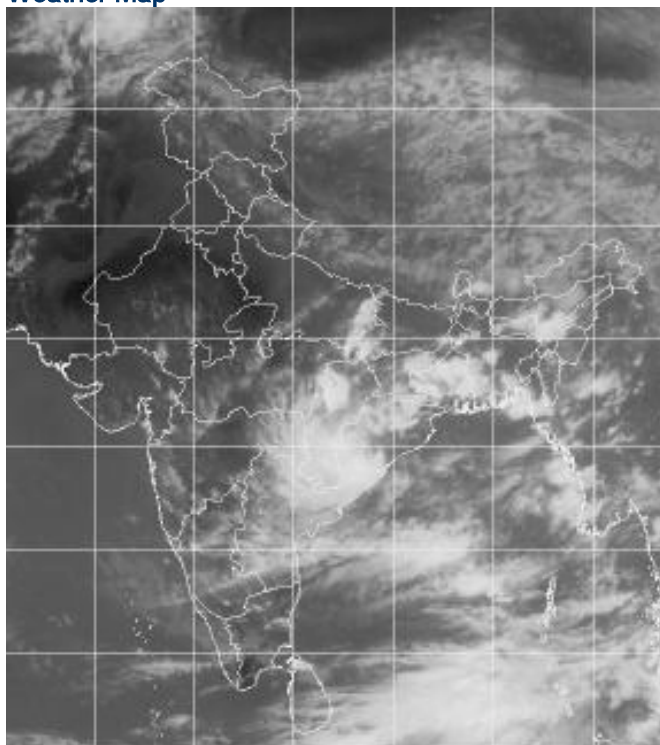
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Outlook for subsequent two days (Based on numerical weather products):

- Fairly widespread rainfall is likely over Konkan & Goa, Marathawada, Madhya Maharashtra and south Madhya Pradesh.
- Decrease in rainfall activity over east India.

Source: GOI (IMD)

Weather Map



Source-IMD FOREX RATE AS ON 29.09.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	45.96
European Union	Euro	58.33
Japan	100 Yen	38.97
United Kingdom	GBP	86.09

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