

OILMEAL

October 03rd, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC MARKET

Soy meal

Soymeal market remained steady on improve demand but fresh arrivals. The export demand is steady. 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)		
	30.09.06	29.09.06	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	
	30.09.06	29.09.06
Kandla	9000	9000
Mumbai	9000	9000

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)	
	30.09.06	29.09.06
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 29th.

Month	Open	High	Low	Close	Chg
Oct06	163.0	164.1	161.7	161.9	-0.2
Dec06	164.5	165.5	162.8	163.5	+0.3

Monsoon Outlook (30.09.06)

- Yesterday's depression over northwest Bay of Bengal moved westwards and crossed Orissa coast at 1730 hours IST of 29th September. It weakened subsequently into a well marked low pressure area and now lay at 0830 hrs IST of today, over south Chhattisgarh and neighbourhood. System is likely to move in a west-northwesterly direction and weaken gradually.
- Under its influence, widespread rainfall with heavy to very heavy falls at a few places is likely over Vidarbha Telangana and south Chhattisgarh during next 24 hours. Isolated heavy to very heavy falls are also likely over south Orissa and north Chhattisgarh during same period. Subsequently the rainfall belt is likely to shift into rest of Maharashtra & Goa and south Gujarat Region.

Heavy Rainfall Warning:

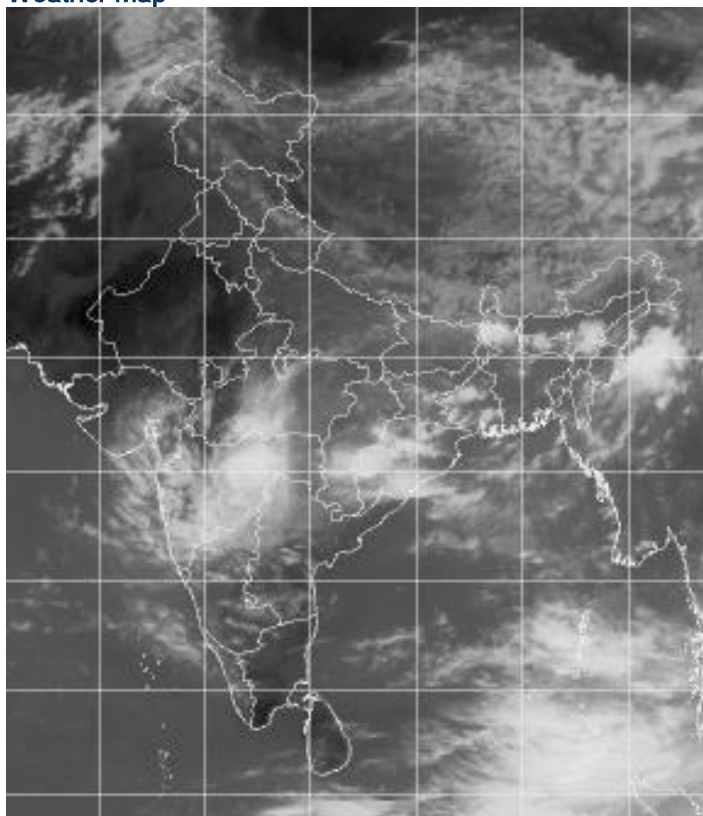
- Heavy to very heavy rainfalls at a few places is likely over Vidarbha Telangana and south Chhattisgarh. Isolated heavy to very heavy falls also likely over south Orissa and north Chhattisgarh.

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

- Fairly widespread rainfall is likely over Konkan & Goa, Marathwada and Madhya Maharashtra.
- Decrease in rainfall activity over central 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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>