

OILMEAL

September 22nd, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Markets Remained Steady
- Mustard Meal Weak on Poor Demand

DOMESTIC MARKET

Soy meal

Northbound sentiment is continued in majority of spot markets on decreasing arrivals amidst improve export demand. The crop concern on excess rainfall in some parts is also underpinning the market tone. Recently, South Korea's Nonghyup Feed Inc has bought 26,000 tonnes of Indian soyameal from Soufflet at \$238.88 per tonne, including cost and freight, some spots markets reported out of stocks. According to SOPA the higher amount of the commodity (229982MT) is exported in the month of August as compared to last three month. Main destination of the export is Vietnam, China, Korea and Japan. The total export in the year is 3901438MT. Vietnam has become largest importers of soybean meal this year from India with over 788861 MT. However, our exporters are facing the tough competition with South America. The global oilseeds production estimates are also likely to down at 383.2 million tons, which are about 6.5 million less from the last year. This led to increase some export demand in near futures.

DOC of Soybean rates at different centers

Places	Ex-factory rates (Rs/ton)		
	21.09.06	20.09.06	Parity To
Indore (MP)	8150-8300	8100-8300	Guj, MP
Datia (MP)	8600-8650	8600	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	9000	-	Up, Bihar, Bengal, Nepal
Nanded/Latur	8700	9000	Andhra, AP, Kar, TN
Dhulia/Jalna	8300-8600	8700	Mumbai Maharashtra
Nagpur (42/46)	9000	8300-8600	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	9200	9000	Local and South
Solapur	8550	9200	Local and South
Kota	9000	8550	Rajasthan, Del, Punjab, Haryana

DOC Port rate at different centers

Centers	FOR Price	
	21.09.06	20.09.06
Kandla	9000	9000
Mumbai	9100	9100

Current vessel positions in different ports

'Jasmine Ace' has berthed at Jamnagar Port and continues to load 8,000 MT of SBM to Japan. Overseas agents is handling the vessel. Jamnagar Port is loading 12,70 MT of SBM to Indonesia on the vessel 'Thor Sun'. JM Baxi agents is handling the vessel.

Loading of 9,000 MT of SBM is expected at Kandla Port on the vessel 'Nagato' to Japan. Taurus agents will be 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
Kandla	Nagato'	9000	Loading	Japan
Jamnagar	'Jasmin e Ace'	8000	Loading	Japan

Rape/ Mustard Meal

A weak sentiment is witnessed in majority of domestic market in the country on poor 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 stoks. 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 no trading is reported (respectively. Prices for the same at Jamnagar were quoted lowerr also at Rs 4650 per ton. Jaipur market was offered the same at lower of Rs.3800 per ton. Indore offered lower at Rs.4250 per ton and Kota quoted the same at Rs. 3900 per ton. Steady to weak tone likely to prevailed in the market.

Sunflower Meal Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	21.09.06	20.09.06
Chalisingaon	-	-
Khamgaon	-	-
Rudrapur	4300	4300
Parli/Latur/Nanded	5500	5500

Groundnut DOC

The groundnut market marginally eased on subdued demand. Stock position is good. 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 20th.

Month	Open	High	Low	Close	Chg
Sep 06	162.7	165.9	162.3	165.8	+3.7
Oct 06	163.1	166.0	162.1	165.8	+3.2

Monsoon Outlook (21.09.06)

- Southwest monsoon has withdrawn from some parts of Punjab and most parts of West Rajasthan. The withdrawal line passes through Ferozepur, Churu, Jodhpur and Barmer.
- Yesterday's well marked low pressure area over Gangetic West Bengal intensified into a depression and lay at 0830 hours IST today over Jharkhand with its centre close to Jamshedpur. The system is likely to move in a northwesterly direction. Under its influence, widespread rainfall with scattered heavy to very heavy falls and isolated extremely heavy falls are likely over Gangetic West Bengal, Jharkhand, north Orissa and north Chhattisgarh during next 24 hours. Fairly widespread rainfall with isolated heavy to very heavy falls are also likely over Bihar, south Orissa, south Chhattisgarh and north Coastal Andhra Pradesh.
- The low pressure area over east central Arabian Sea also concentrated into a depression and lay at 0830 IST of today with its center near lat 19.5° N and long 66.0° E about 450 Km southwest of Porbandar. The system is likely to intensify further and move initially in a west-northwesterly direction.

Heavy Rainfall Warning:

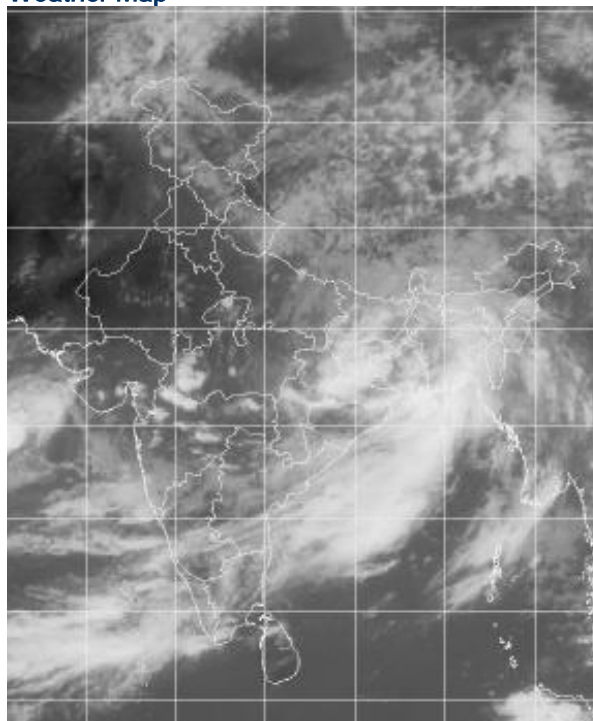
- Scattered heavy to very heavy falls with isolated extremely heavy falls are likely over Gangetic West Bengal, Jharkhand, north Orissa and north Chhattisgarh.
- Isolated heavy to very heavy falls are also likely over Bihar, south Orissa, south Chhattisgarh, Konkan & Goa, north Coastal Andhra Pradesh, Coastal Karnataka, Kerala and Lakshadweep.

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

- Increase in rainfall activity over central India, East Uttar Pradesh and Bihar.
- Decrease in rainfall activity over Orissa, Gangetic West Bengal and Jharkhand.

Source: GOI (IMD)

Weather Map



Source-IMD

FOREX RATE AS ON 21.09.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	45.88
European Union	Euro	58.28
Japan	100 Yen	39.17
United Kingdom	GBP	86.81

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>

© 2005 Indian Agribusiness Systems Pvt Ltd.