

OILMEAL

September 21st, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC MARKET

Soy meal

A slightly northbound sentiment is prevailed in majority of markets on decreasing arrivals. Some markets reported out of stocks. The domestic demand is steady. Whereas, the export of Soymeal is improving. 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. Our country will able to offer Soymeal at competitive prices in the coming future. The lower production in mills is reported.

DOC of Soybean rates at different centers

Places	Ex-factory rates (Rs/ton)		
	20.09.06	19.09.06	Parity To
Indore (MP)	8100-8300	8100-8300	Guj, MP
Datia (MP)	8600	8600	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	-	-	Up, Bihar, Bengal, Nepal
Nanded/Latur	9000	9000	Andhra, AP, Kar, TN
Dhulia/Jalna	8700	8700	Mumbai Maharashtra
Nagpur (42/46)	8300-8600	8300-8600	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	9000	9000	Local and South
Solapur	9200	9200	Local and South
Kota	8550	8550	Rajasthan, Del, Punjab, Haryana

DOC Port rate at different centers

Centers	FOR Price	
	20.09.06	19.09.06
Kandla	9000	9000
Mumbai	9100	9100

Current vessel positions in different ports

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		12,70	Loading	Indonesia

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)	
	20.09.06	19.09.06
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 19th.

Month	Open	High	Low	Close	Chg
Sep06	164.4	165.1	162.0	162.1	-2.0
Oct06	165.8	166.0	162.5	162.6	-2.5

Monsoon Outlook (20.09.06)

- Yesterday's well marked low pressure area over northeast Bay of Bengal and neighbourhood now lies over northwest Bay off north Orissa-West Bengal Coast. Under its influence, enhanced rainfall activity with isolated heavy to very heavy falls are likely over Gangetic West Bengal and Orissa during next 48 hours. Fairly widespread rainfall with isolated heavy falls are also likely over Jharkhand, Chhattisgarh, north Coastal Andhra Pradesh and Telangana during same period.
- The low pressure area persists over east central Arabian sea.

Heavy Rainfall Warning:

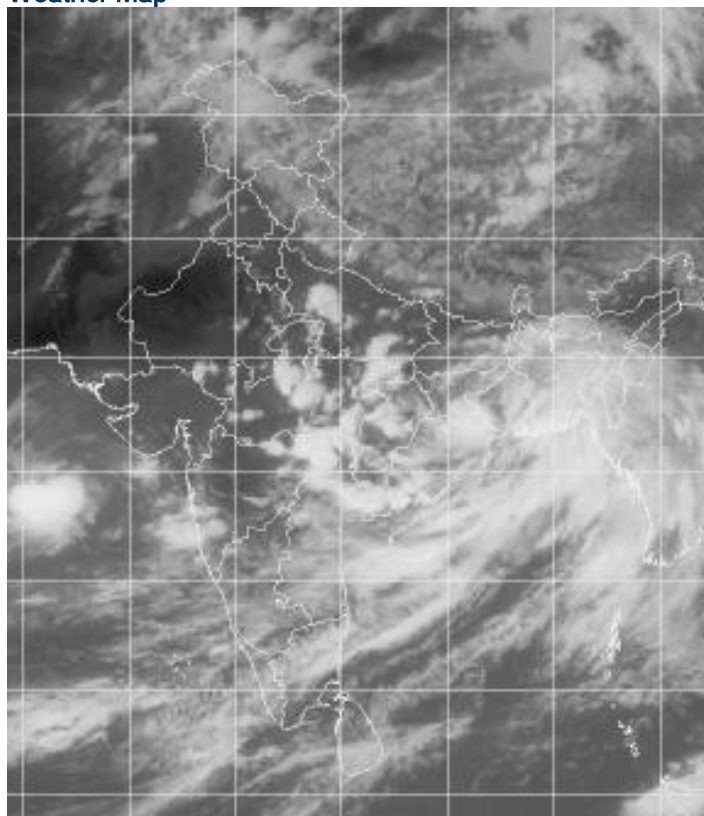
- Isolated heavy to very heavy falls are likely over Orissa and Gangetic West Bengal.
- Isolated heavy falls are also likely over north Coastal Andhra Pradesh, Telangana, Chhattisgarh, Jharkhand and along the west coast.

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

- Fairly widespread rainfall activity is likely to continue over East & adjoining Central India.

Source: GOI (IMD)

Weather Map



Source-IMD

FOREX RATE AS ON 20.09.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	46.05
European Union	Euro	58.36
Japan	100 Yen	39.29
United Kingdom	GBP	86.67

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>