

OILMEAL

September 29<sup>th</sup>, 2006

## MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Markets Remained Steady to Somewhat Improve
- Mustard Meal Weak on Poor Demand

## DOMESTIC MARKET

### Soy meal

A steady tone is prevailed in majority of soymeal market. The domestic demand is improving. Some fresh crops arrivals is also reported from some market. The export demand is somewhat improved. 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)		
	28.09.06	27.09.06	Parity To
Indore (MP)	8000-8300	8000-8300	Guj, MP
Datia (MP)	8600	8600	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	8300	8300	Up, Bihar, Bengal, Nepal
Nanded/Latur	9000	9000	Andhra, AP, Kar, TN
Dhulia/Jalna	8600	8600	Mumbai Maharashtra
Nagpur (42/46)	8300-8700	8300-8700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	8900	8900	Local and South
Solapur	8900	8900	Local and South
Kota	8400	8400	Rajasthan, Del, Punjab, Haryana

### DOC Port rate at different centers

Centers	FOR Price	
	28.09.06	27.09.06
Kandla	8800	9000
Mumbai	8700	9000

### 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 steady to 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. 4725-4750 in [PP bags] and in Mudra it is offered at Rs. 4750. Prices for the same at Jamnagar were quoted at Rs 4675 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 4200

### Sunflower Meal Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	28.09.06	27.09.06
Chalisingaon	-	-
Khamgaon	-	-
Rudrapur	4800	4700
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 27<sup>th</sup> .

Month	Open	High	Low	Close	Chg
Oct06	162.3	163.4	460.2	160.4	-2.0
Dec06	163.3	164.5	161.4	161.5	-2.0

#### Monsoon Outlook (28.09.06)

- Yesterday's low pressure area over east-central & adjoining northeast Bay of Bengal persists and has become well marked. It is likely to concentrate into a depression and move in a west-northwesterly direction. Under its influence fairly widespread rainfall with isolated heavy to very heavy falls is likely to commence over Orissa and Gangetic West Bengal during next 24 hrs. Subsequently enhanced rainfall activity is also likely to extend into north Andhra Pradesh & Chhattisgarh.

#### Heavy Rainfall Warning:

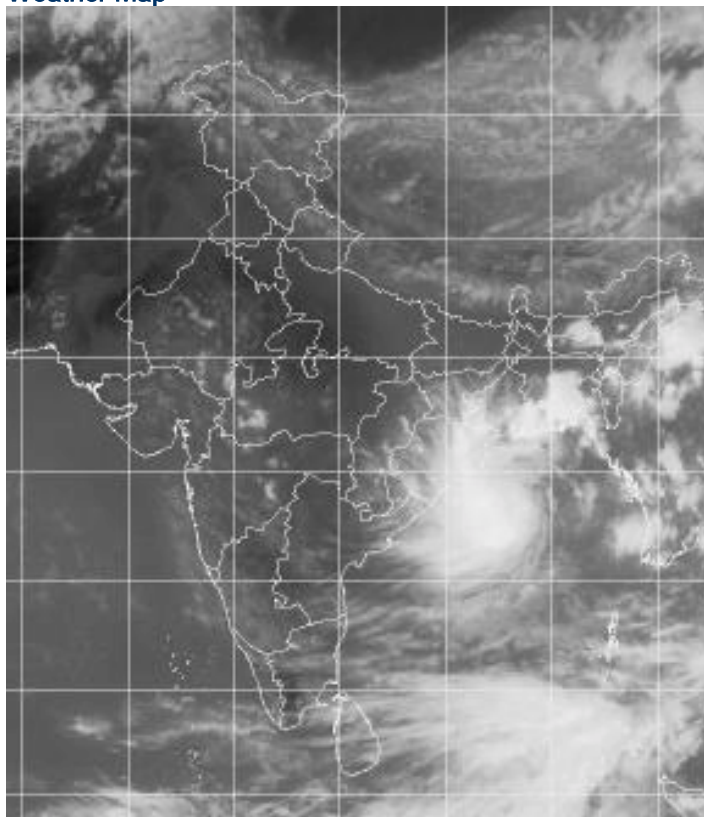
- Isolated heavy to very heavy rainfall is likely over Orissa, Gangetic West Bengal and Andaman & Nicobar Islands
- Outlook for subsequent two days from 0830

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

- Fairly widespread rainfall is likely over interior Maharashtra and adjoining Madhya Pradesh.
- Decrease in rainfall activity over east India.

Source: GOI (IMD)

#### Weather Map



Source-IMD

#### FOREX RATE AS ON 28.09.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	45.92
European Union	Euro	58.38
Japan	100 Yen	39.04
United Kingdom	GBP	86.53

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