

OILMEAL

September 20th, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Markets Remained Steady
- Groundnut DOC Improved on Some 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)		
	19.09.06	18.09.06	Parity To
Indore (MP)	8100-8300	8100-8300	Guj, MP
Datia (MP)	8600	8500	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	-	-	Up, Bihar, Bengal, Nepal
Nanded/Latur	9000	9000-9100	Andhra, AP, Kar, TN
Dhulia/Jalna	8700	8600	Mumbai Maharashtra
Nagpur (42/46)	8300-8600	8900	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	9000	9200	Local and South
Solapur	9200	9100	Local and South
Kota	8550	8450	Rajasthan, Del, Punjab, Haryana

DOC Port rate at different centers

Centers	FOR Price	
	19.09.06	18.09.06
Kandla	9000	9000
Mumbai	9100	9000

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

Range bound with firm undertone sentiments is still 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 stocks. Crushing is continuing as demand for Kachi ghani is good from eastern states. The DOC prices at Kandla and Mundra were quoted at Rs. 4775 and 4825 (in PP bags) respectively. Prices for the same at Jamnagar were quoted higher also at Rs 4750 per ton. Jaipur market was offered the same at slightly higher of Rs.3900 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)	
	19.09.06	18.09.06
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 18th.

Month	Open	High	Low	Close	Chg
Sep06	163.8	165.1	163.4	164.1	+2.7
Oct06	165.0	166.5	164.6	165.1	+2.5

Monsoon Outlook (19.09.06)

- Yesterday's low pressure area over north Coastal Andhra Pradesh and neighbourhood has become less marked. However, the associated upper air cyclonic circulation lies over the same area extending upto mid-tropospheric levels. Under its influence, fairly widespread rainfall with isolated heavy to very heavy falls are likely over north Coastal Andhra Pradesh, Telangana and coastal Orissa & West Bengal during next 1-2 days.
- Under the influence of the low pressure area over east central Arabian sea & adjoining Saurashtra region and an off-shore trough extending from this system upto Kerala coast, fairly widespread rainfall with isolated heavy to very heavy falls are likely over Konkan & Goa (including Mumbai), Coastal Karnataka and Kerala during next 1-2 days.
- Yesterday's low pressure area over east-central Bay of Bengal now lies over northeast Bay of Bengal and neighbourhood. It is likely to become more marked.

Heavy Rainfall Warning:

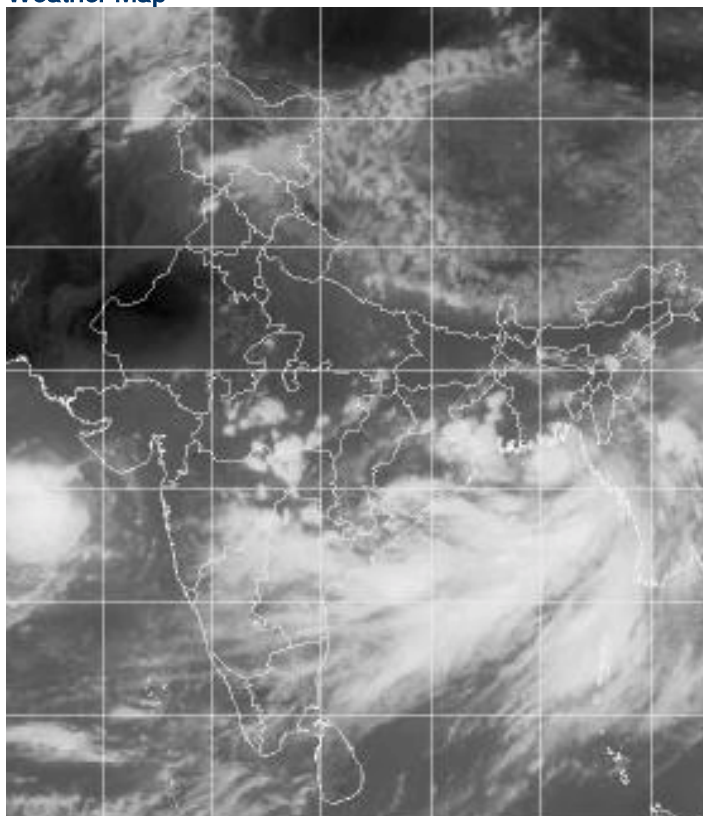
- Isolated heavy to very heavy falls are likely over north Coastal Andhra Pradesh, Telangana, coastal areas of Orissa & West Bengal, Konkan & Goa (including Mumbai), Coastal Karnataka and Kerala.

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

- Increase in rainfall activity likely over east and northeast India.

Source: GOI (IMD)

Weather Map



Source-IMD

FOREX RATE AS ON 19.09.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	46.11
European Union	Euro	58.57
Japan	100 Yen	39.06
United Kingdom	GBP	86.72

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