

OILMEAL

September 05<sup>th</sup>, 2006

## MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Markets Remained Steady
- Groundnut DOC Improved on Some Demand

## DOMESTIC MARKET

### Soy meal

Soy meal prices remained steady to somewhat firm on steady demand amidst lower crushing. The lower production in mills was reported. The activity at port improved somewhat. The area under soybean cultivation has gone up from 76.10 LH to all time high of 79.53 LH. There is a report of some damage of soybean crop in Maharashtra as well as in Madhya Pradesh, but yet to assess the extent of damage. Higher soybean cultivation is reported in Gujarat, Madhya Pradesh and Maharashtra. A lower soybean production is estimated in the global level. 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. Traders perceived that the market sentiments likely to steady or improve somewhat in the coming days.

### DOC of Soybean rates at different centers

Places	Ex-factory rates (Rs/ton)		
	04.09.06	02.09.06	Parity To
Indore (MP)		8000-8200	Guj, MP
Datia (MP)	8600	8500	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	8450	8350	Up, Bihar, Bengal, Nepal
Nanded/Latur	9100	9100	Andhra, AP, Kar, TN
Dhulia/Jalna	8600	8600	Mumbai Maharashtra
Nagpur (42/46)	8300-8600	8300-8600	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	9200	9000	Local and South
Solapur	9100	8800	Local and South
Kota	8450	8400	Rajasthan, Del, Punjab, Haryana

### DOC Port rate at different centers

Centers	FOR Price	
	4.09.06	02.09.06
Kandla	8900	8850
Mumbai	9000	8950

### Current vessel positions in different ports

• Loading of 13,500 MT of SBM is expected at Kandla Port on the vessel 'IBI' to Japan. GAC agents will be handling the vessel.

Mumbai Port is expecting 'Indruwa Valley' to load 2,70 MT of SBM. Sai Freight agents will be handling the vessel. 'Surplus' is expected at the port to load 6,000 MT of SBM. Chowgule agents will be handling the vessel. Loading of 6,500 MT of SBM is expected at the port on the vessel 'Layer Sentosa'. The vessel will be handled by JM Baxi agents.

### Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Desti-Nation
Kandla	'IBI'	13,500	Loaded	Japan

### Rape/ Mustard Meal

Steady sentiment still dominating the trading centre in the country. Exporters are reportedly covered for their immediate demand and this triggered the export demand to down. Also, regular selling by Nafed has also restricting the market sentiments. Nafed is selling mustard in Rajasthan at Rs 1585 per qtl. Crushing is continuing as demand for Kachi ghani is good from eastern states. The DOC prices at Kandla and Mundra were quoted at Rs. 4750-4850 and 5000-5100 (in PP bags) respectively. Prices for the same at Jamnagar were quoted higher also at Rs 4750-4850 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)	
	04.09.06	2.09.06
Chalisgaon		-
Khamgaon		5350
Rudrapur		4200
Parli/Latur/Nanded		5400-5500

### Groundnut DOC

The groundnut market remained steady to slight up today amidst improved demand. However stock position is good. The groundnut acreage has plunged down from 53.54 to 43.23 lakh hectares (LH) mainly on account of drought condition in Andhra Pradesh, particularly Rayalaseema belt experiencing dry spell virtually through out July. In Andhra Pradesh, the acreage under Groundnut is down from 14.58 LH to 8.49 LH, while Gujarat has seen fall in area from 18.08 to 16.55 LH, as farmers shifted from groundnut to cotton. 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. 6600 while 45% was offered also steady at 7150 per MT in Rajkot during Thursday.

#### CBOT Soy Meal Futures as on September 1st.

Month	Open	High	Low	Close	Chg
Sep 06	157.50	158.00	157.10	157.60	+0.4
Oct 06	158.70	159.20	159.50	159.10	+0.4

#### Monsoon Outlook (04.09.06)

- The well marked low pressure area over north Bay of Bengal concentrated into a depression yesterday evening. Moving west-northwestwards, it crossed north Orissa coast near Chandbali around 0630 hrs IST of today morning. It lay at 0830 hrs IST of today over north Orissa with its centre to the west of Chandbali. The system is likely to move in a west-northwesterly direction
- Under its influence, widespread rainfall with heavy to very heavy falls at a few places and isolated extremely heavy falls (25 cm or more) are likely over Orissa during next 24 hours. Widespread rainfall with heavy to very heavy falls at a few places are also likely over Gangetic West Bengal, Chhattisgarh, Jharkhand and north Coastal Andhra Pradesh during same period. Subsequently, enhanced rainfall belt is likely to extend into East Madhya Pradesh, north Telangana and Vidarbha.
- Squally winds with speed reaching 50-60 kmph are likely along and off Orissa, West Bengal and north Andhra coasts during next 12 hours. The sea condition will be rough to very rough along and off Orissa-West Bengal and north Andhra coasts during same period. The fishermen are advised not to venture into sea.

#### Heavy Rainfall Warning:

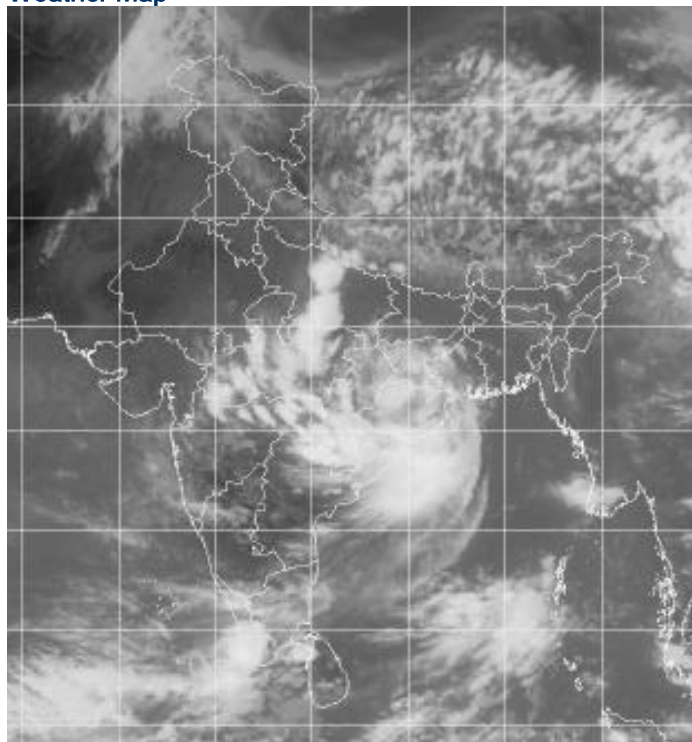
Heavy to very heavy falls at a few places and isolated extremely heavy falls (25 cm or more) are likely over Orissa during next 24 hours. Heavy to very heavy falls are also likely at a few places over Gangetic West Bengal, Jharkhand, Chhattisgarh and north Coastal Andhra Pradesh during same period.

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

- ✍ Decrease in rainfall activity over east India.
- ✍ Increase in rainfall activity over Gujarat Region and southeast Rajasthan.

Source: GOI (IMD)

#### Weather Map



#### Source-IMD FOREX RATE AS ON 04.09.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.44
European Union	Euro	59.68
Japan	100 Yen	39.87
United Kingdom	GBP	88.52

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