

OILMEAL

September 25th, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC MARKET

Soy meal

A steady sentiment at some upper side is witnessed in majority of spot markets. 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. The delivery is likely to be between October and December. Near about 250,000 tons have sold to Vietnam and 50,000 tons to Japan. However, good domestic demand amidst lower carry forward stocks is likely to ease the total soyameal exports in the marketing year of 2006-07 that starts October to 3.5 million tons from 4.0 million tons estimated for the current marketing year. 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)		
	23.09.06	22.09.06	Parity To
Indore (MP)	8100-8300	8100-8300	Guj, MP
Datia (MP)	8700	8700	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	8500	8500	Up, Bihar, Bengal, Nepal
Nanded/Latur	9000-9100	9000-9100	Andhra, AP, Kar, TN
Dhulia/Jalna	8800	8800	Mumbai Maharashtra
Nagpur (42/46)	8700	8700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	9000	9000	Local and South
Solapur	9100-9200	9100-9200	Local and South
Kota	8550	8550	Rajasthan, Del, Punjab, Haryana

DOC Port rate at different centers

Centers	FOR Price	
	23.09.06	22.09.06
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 steady to somewhat 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. 4775 in PP bags) and in Mudra it is offered at Rs. 4825. Prices for the same at Jamnagar were quoted at Rs 4725 per ton. Jaipur market was offered the same at lower of Rs.3800 per ton. 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)	
	23.09.06	22.09.06
Chalisingaon	-	-
Khamgaon	-	-
Rudrapur	4300	4300
Parli/Latur/Nanded	5500	5500

Groundnut DOC

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

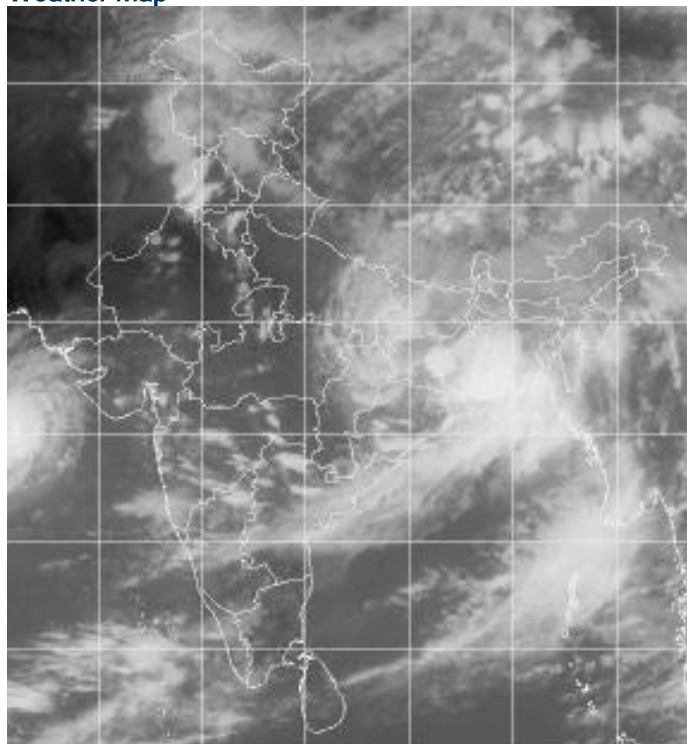
CBOT Soy Meal Futures as on September 22nd.

Month	Open	High	Low	Close	Chg
Sep 06	168.3	168.4	164.7	165.2	-3.1
Oct 06	168.8	168.8	164.5	165.3	-2.8

Monsoon Outlook (23.09.06)

- Yesterday's depression over Jharkhand moved slightly northwards and lay centred at 0830 hours IST of today close to Dhanbad. The system is likely to move slowly in a northerly direction and weaken. Under its influence, widespread rainfall with scattered heavy to very heavy falls are likely over Bihar, West Bengal & Sikkim, Jharkhand, Nagaland, Manipur, Mizoram & Tripura and Assam & Meghalaya. Fairly widespread rainfall with isolated heavy falls are also likely over East Uttar Pradesh and north Chhattisgarh.
- Yesterday's cyclonic storm (Mukda) over east central and adjoining northeast Arabian Sea moved in a northeasterly direction and intensified into a severe cyclonic storm. It lay centred at 0830 hours IST of today about 280 Km southwest of Porbandar. The system is likely to intensify further and move slowly in a northeasterly direction towards Gujarat coast. Under its influence, widespread rainfall activity with heavy to very heavy falls at a few places and isolated extremely heavy (more than 25 cm) falls accompanied with Gale winds reaching 100-120 kmph are likely along and off Gujarat coast. The sea condition is likely to be high to very high along the Gujarat coast. The fishermen are advice not to venture into sea.

Weather Map



Heavy Rainfall Warning:

- Heavy to very heavy falls at a few places with isolated extremely heavy (more than 25 cm) falls are likely over Saurashtra & Kutch. Isolated heavy to very heavy falls is also likely over south Gujarat.
- Heavy to very heavy falls at a few places are likely over Bihar, West Bengal & Sikkim, Jharkhand, Nagaland, Manipur, Mizoram & Tripura and Assam & Meghalaya. Isolated heavy falls also likely over East Uttar Pradesh and north Chhattisgarh.

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

- Fairly widespread rainfall activity likely to continue over East & northeast India.

Source: GOI (IMD)

Source-IMD

FOREX RATE AS ON 23.09.06

Country/Continent	Currency	Value In Rupees
USA	Dollar	45.94
European Union	Euro	58.78
Japan	100 Yen	39.45
United Kingdom	GBP	87.41

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