

## OILMEAL

September 16<sup>th</sup>, 2006

### MAJOR ACTIVITY HIGHLIGHTS

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

### DOMESTIC MARKET

#### Soy meal

Almost a range bound tone is dominating the physical market on steady demand supply scenario. Whereas the export of Soymeal is reportedly 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. The crushing will be peak in the month of November.

#### DOC of Soybean rates at different centers

Places	Ex-factory rates (Rs/ton)		
	15.09.06	14.09.06	Parity To
Indore (MP)	8100-8300	8000-8100	Guj, MP
Datia (MP)	8500	8850	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	-	8400	Up, Bihar, Bengal, Nepal
Nanded/Latur	9000-9100	8500-9100	Andhra, AP, Kar, TN
Dhulia/Jalna	8600	8600	Mumbai Maharashtra
Nagpur (42/46)	8900	8300-8600	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	9200	9200	Local and South
Solapur	9100	9100	Local and South
Kota	8450	8400	Rajasthan, Del, Punjab, Haryana

#### DOC Port rate at different centers

Centers	FOR Price	
	15.09.06	14.09.06
Kandla	8900	8900
Mumbai	9000	9000

#### Current vessel positions in different ports

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

Mumbai Port is loading 2,700 MT of SBM on the vessel 'Indruwa Valley'. Sai Freight agents is handling the vessel. 'Surplus' is expected at the 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	'IBI'	13,500	Loaded	Japan

#### Rape/ Mustard Meal

Range bound 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 stoks. Crushing is continuing as demand for Kachi ghani is good from eastern states. The DOC prices at Kandla and Mundra were quoted at Rs. 4725 and 5025 (in PP bags) respectively. Prices for the same at Jamnagar were quoted higher also at Rs 4725 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. 3850 per ton. Steady to weak tone likely to prevailed in the market.

#### Sunflower Meal Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	15.09.06	14.09.06
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 14<sup>th</sup>.

Month	Open	High	Low	Close	Chg
Sep 06	159.0	160.8	158.7	160.8	+3.3
Oct 06	158.4	159.5	158.1	158.6	+1.3

#### Monsoon Outlook (15.09.06)

- As predicted, a low pressure area has formed over west central Bay of Bengal off Andhra Pradesh coast. The east-west shear zone has shifted slightly northwards and now runs across north Coastal Andhra Pradesh and south Konkan & Goa. Under this scenario fairly widespread rainfall with isolated heavy to very heavy falls is likely over south peninsula and Konkan & Goa during next 2-3 days.
- Ongoing enhanced rainfall activity over northeastern States is likely to decrease during next 3-4 days.

#### Heavy Rainfall Warning:

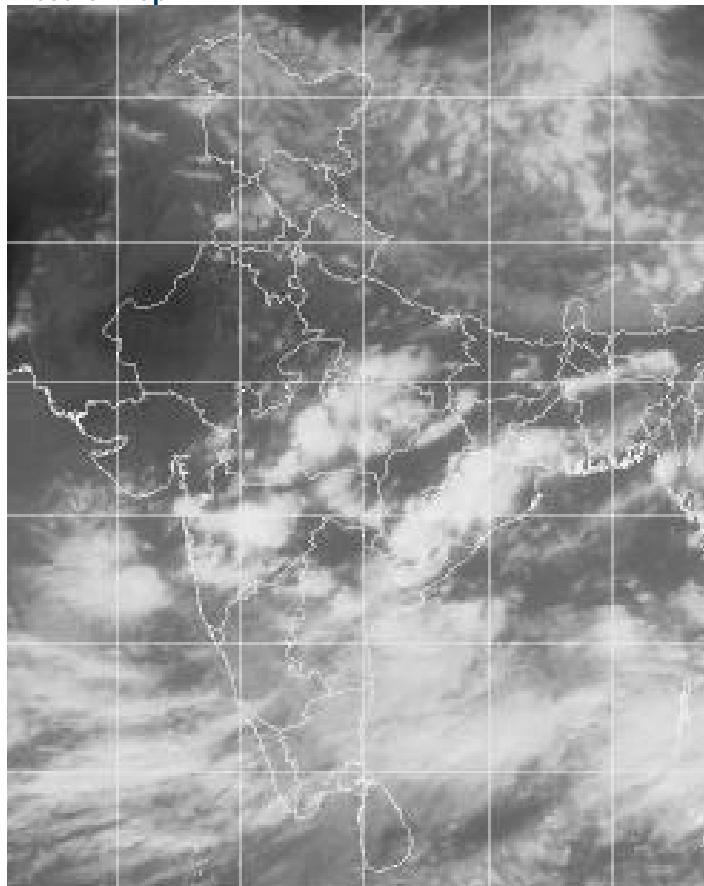
- Isolated heavy to very heavy falls are likely over Coastal Andhra Pradesh, Konkan & Goa, Coastal Karnataka, Kerala and Andaman & Nicobar Islands.

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

- With the likely northwestwards movement of the low pressure area, rainfall activity is likely to increase over parts of East India, interior Maharashtra and Madhya Pradesh.

Source: GOI (IMD)

#### Weather Map



Source-IMD

#### FOREX RATE AS ON 15.09.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	46.13
European Union	Euro	58.69
Japan	100 Yen	39.25
United Kingdom	GBP	87.08

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