

## MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Sentiments Remained Steady

## NEWS ANALYSIS

### USDA Export Sales Highlights

Soybean Cake and Meal: Net sales of 63,000 MT were 10 percent above the previous week, but 31 percent under the prior 4-week average. Major increases were reported for Canada (26,600 MT), unknown destinations (15,000 MT), Cuba (8,600 MT), and Jamaica (5,600 MT). Decreases were reported for Nicaragua (2,900 MT) and El Salvador (2,500 MT). Net sales of 43,200 MT for delivery in 2006/07 were mainly for Mexico (23,400 MT), Egypt (7,000 MT), and Indonesia (6,000 MT). Exports of 113,700 MT were 25

percent above the week earlier, but 5 percent under the prior 4-week average. The primary destinations were Mexico (30,700 MT), Canada (23,000 MT), Saudi Arabia (17,700 MT), Japan (10,400 MT), and Guatemala (9,000 MT).

Source: FAS, USDA

Export of Oil meal (Extractions) from April 06 to August'06 with comparative period of previous year (Qty. in MT)

Month	S.B.EXT	R.S.EXT.	G.N.EXT	R.B.EXT.	S.F.EXT.	CST.EXT.	TOTAL
April 2006	316,925	53,425	12,400	5,650	---	10,825	399,225
	99,250	90,900	12,950	---	----	17,800	220,900
May 2006	140,075	77,400	18,525	4,750	---	15,575	256,325
	156,100	69,650	3,025	6,875	----	50,200	285,850
June 2006	108,975	79,900	12,175	11,000	---	7,600	219,650
	115,750	53,975	8,900	12,675	----	20,225	211,525
July 2006	119,450	49,500	---	11,000	---	---	179,950
	135,550	45,750	17,700	16,500	----	11,525	227,025
August 2006	111,075	98,075	---	29,500	---	15,350	254,000
	112,575	43,825	15,100	5,033	----	11,325	187,858
Total	796,500	358,300	43,100	61,900	---	49,350	1,309,150
	619,225	304,100	57,675	41,083	----	111,075	1,133,158
2005-0006(F.Y.)	3,424,600	533,275	137,925	125,325	750	201,150	4,423,025
2004-2005(F.Y.)	1,861,325	588,805	121,475	43,056	4,790	70,750	2,690,201
2003-2004(F.Y.)	2,683,675	447,050	126,750	---	---	65,550	3,323,025
2002-2003(F.Y.)	1,333,318	455,533	15,225	---	---	92,445	1,896,521
2001-2002(F.Y.)	2,509,207	313,012	101,001	---	---	97,557	3,020,777

## FUNDAMENTAL ANALYSIS

### INTERNATIONAL MARKETS

Soy futures at Chicago Board of Trade settled mixed on Monday. November soybean futures closed up 3.25 cents at \$5.53 and January soybean up 3.25 cents at \$5.6575 per bushel. December soy meal finished up \$2.5 at \$165.1 per short ton and December soybean oil off 11 cents at 24.95 cents per pound. Most of the fundamentals were supportive. Weather forecast calling for wetter and colder and its good domestic demand were the primary friendly factors. Soybean export inspection report came with in

earlier expectations. Export inspection report was slightly bearish. United State Department of Agriculture (USDA) estimated the weekly export inspections for soybean at 10.75 million bushels against earlier trade expectations of 11-16 million bushels.

#### CBOT Soy Meal Futures as on September 15<sup>th</sup> .

Month	Open	High	Low	Close	Chg
Sep 06	159.1	162.1	158.5	161.4	+2.8
Oct 06	160.0	164.0	159.5	162.6	+2.8

CBOT Remains Close on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

A steady to somewhat weak sentiment is still prevailed in majority of Soymeal market. The domestic demand remained steady at lower levels whereas, 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 became 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. No significant trading at NCDEX in Soy meal futures was witnessed.

#### DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	09.09.06	18.09.06
Indore (MP)	8000-8200	8100-8300
Datia (MP)	8600	8500
Shivpuri (MP)	8450	-
Nanded/Latur	9100	9000-9100
Dhulia/Jalna	8600	8600
Nagpur (42/46)	8300-8600	8900
Sangli	9200	9200
Solapur	9100	9100
Kota	8450	8450

## Soy Meal Vessel Report (15.09.06)

### Current vessel positions in different ports

Loading of 9,000 MT of SBM is expected at the 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	Commodity	Destination
Kandla	Nagato'	9000	Expected	SBM	Japan

### 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. 3850 per ton. Steady to weak tone likely to prevailed in the market.

### Groundnut meal

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.

### Soy Meal Price Drivers-

- Improving export demand
- Lower domestic demand
- Competitive quotation of South American soy meal
- Lower crushing

### Outlook-

#### Short term (one week)

✍ Range bound on steady demand supply scenario .

## Monsoon Outlook (18.09.06)

- Yesterday's low pressure area over north Coastal Andhra Pradesh and neighbourhood persists. Under its influence, widespread rainfall with isolated heavy to very heavy falls are likely over north Coastal Andhra Pradesh and Telangana during next 2-3 days. Fairly widespread rainfall with isolated heavy to very heavy falls are also likely over south Orissa and south Chhattisgarh during same period.
- The other low pressure area over east central Arabian Sea and adjoining north Konkan & south Gujarat coasts also persists. An off shore trough from this system runs upto Kerala coast. Under its influence, widespread rainfall activity with heavy to very heavy falls at a few places are likely over Konkan & Goa (including Mumbai) and Madhya Maharashtra during next 2-3 days. Fairly widespread rainfall with isolated heavy to very heavy falls are also likely over south Gujarat, Coastal Karnataka and Kerala during same period.

## Heavy Rainfall Warning:

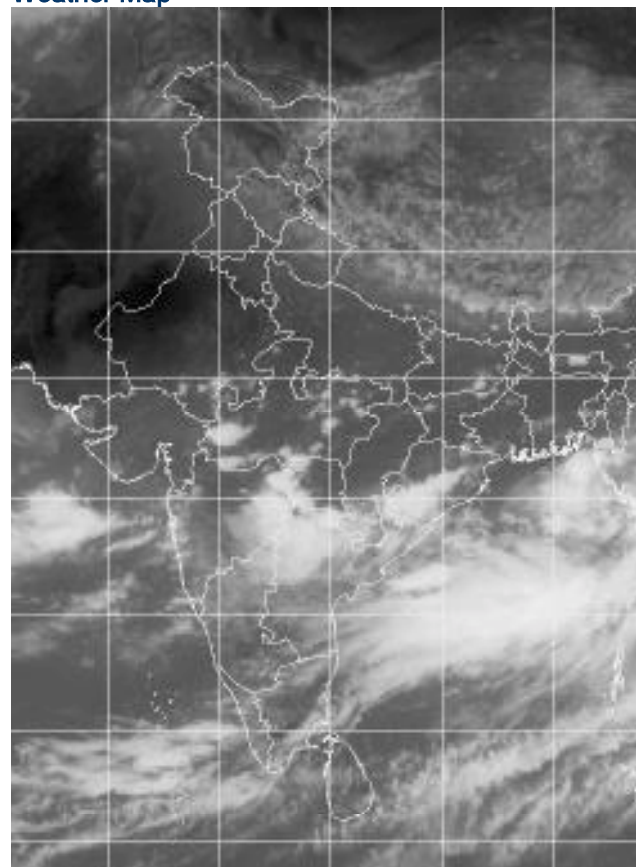
- Heavy to very heavy falls at a few places are likely over Konkan & Goa (including Mumbai), Madhya Maharashtra, Coastal Karnataka and Kerala. Isolated heavy to very heavy falls are also likely over south Gujarat, Marathwada, south Orissa, south Chhattisgarh, north Coastal Andhra Pradesh, Telangana and Andaman & Nicobar Islands.

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

- Increase in rainfall activity over Orissa and Gangetic West Bengal.
- Enhanced rainfall activity likely to continue over Maharashtra & Goa, South Gujarat region and south Peninsula.

Source: GOI (IMD)

## Weather Map



Source-IMD

## Forex

### Forex rate as on 18.09.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.12
European Union	Euro	58.44
Japan	100 Yen	39.09
United Kingdom	GBP	87.87

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