



OILMEAL

September 19th, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC MARKET

Soy meal

Almost a steady tone is prevailed in the physical market on steady demand supply scenario. The sentiment is not getting the clear-cut direction to emerge out. 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.

DOC of Soybean rates at different centers

Places	Ex-factory rates (Rs/ton)		
	18.09.06	16.09.06	Parity To
Indore (MP)	8100-8300	8100-8300	Guj, MP
Datia (MP)	8500	8500	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	-	-	Up, Bihar, Bengal, Nepal
Nanded/Latur	9000-9100	9000-9100	Andhra, AP, Kar, TN
Dhulia/Jalna	8600	8600	Mumbai Maharashtra
Nagpur (42/46)	8900	8900	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	9200	9200	Local and South
Solapur	9100	9100	Local and South
Kota	8450	8450	Rajasthan, Del, Punjab, Haryana

DOC Port rate at different centers

Centers	FOR Price	
	18.09.06	16.09.06
Kandla	9000	8900
Mumbai	9000	9000

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	Desti-Nation
Kandla	Nagato'	9000	Expected	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 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. 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.

Sunflower Meal Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	18.09.06	16.09.06
Chalisgaon	-	-
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 15th.

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

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:

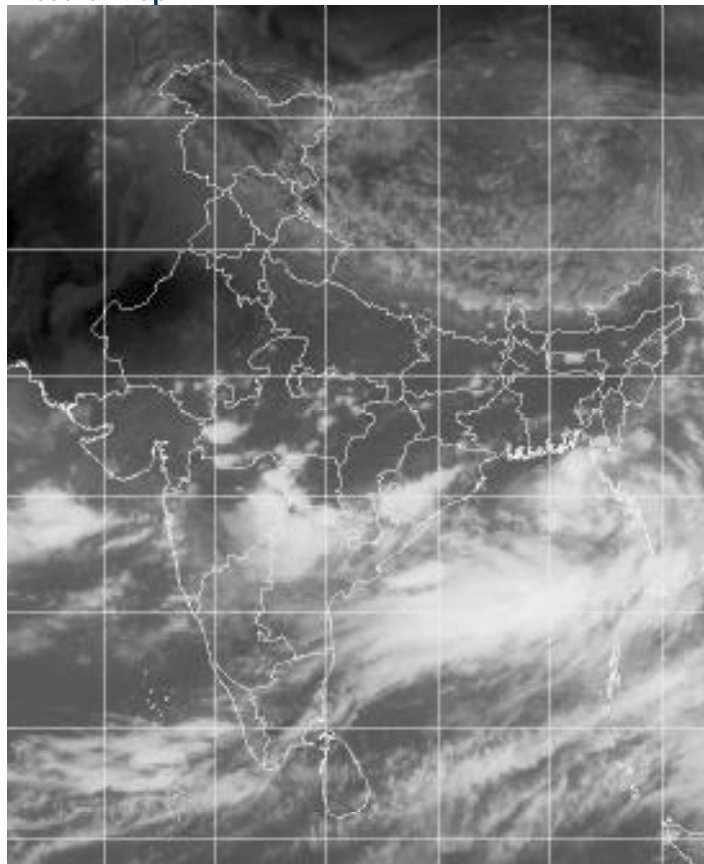
- Heavy to very heavy falls at a few places are likely over Konkan & Goa (including Mumbai), Madhya Maharashtra, Coastal Karnataka and Kerala. Isolated heavy to very heavy falls are also likely over south Gujarat, Marathawada, south Orissa, south Chhattisgarh, north Coastal Andhra Pradesh, Telangana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