

OILMEAL

September 27th, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Markets Eased on Some Arrivals of Crop
- Mustard Meal Weak on Poor Demand

DOMESTIC MARKET

Soy meal

Sentiments of Soymeal remained steady. The domestic demand is not so significant. Some fresh crops arrivals is also reported from some market. The export demand is somewhat improved. 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. China scrapped an import duty on Indian soymeal and this led to wide the export market to China. However, domestic demand is steady on lower stocks level. Some fresh arrivals of crop are reported from some market. Our exporters are also 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)		
	26.09.06	25.09.06	Parity To
Indore (MP)	8000-8300	8000-8300	Guj, MP
Datia (MP)	8700	8700	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	8400	8400	Up, Bihar, Bengal, Nepal
Nanded/Latur	9000	9000	Andhra, AP, Kar, TN
Dhulia/Jalna	8600-87100	8600-87100	Mumbai Maharashtra
Nagpur (42/46)	8700	8700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	8900-9000	8900-9000	Local and South
Solapur	9000	9000	Local and South
Kota	8500	8500	Rajasthan, Del, Punjab, Haryana

DOC Port rate at different centers

Centers	FOR Price	
	26.09.06	25.09.06
Kandla	9000	9000
Mumbai	9000	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 weak sentiment is witnessed in majority of domestic market in the country on lack of 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 is quoted lower at Rs. 4750 in PP bags) and in Mudra it is offered at Rs. 4825. Prices for the same at Jamnagar were quoted at Rs 4750 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)	
	26.09.06	25.09.06
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 25th .

Month	Open	High	Low	Close	Chg
Sep 06	164.0	164.2	161.8	162.4	-2.8
Oct 06	164.1	164.2	161.8	162.8	-2.3

Monsoon Outlook (26.09.06)

- Yesterday's low pressure area over Bihar and adjoining Jharkhand now lies over Jharkhand and adjoining north Orissa & Gangetic West Bengal. Under its influence, fairly widespread rainfall with isolated heavy falls likely over Jharkhand, Gangetic West Bengal and north Orissa during next 24 hours.
- A low pressure area is likely to form over east-central Bay of Bengal by tomorrow, which will increase the rainfall activity initially over Andhra Pradesh.

Heavy Rainfall Warning:

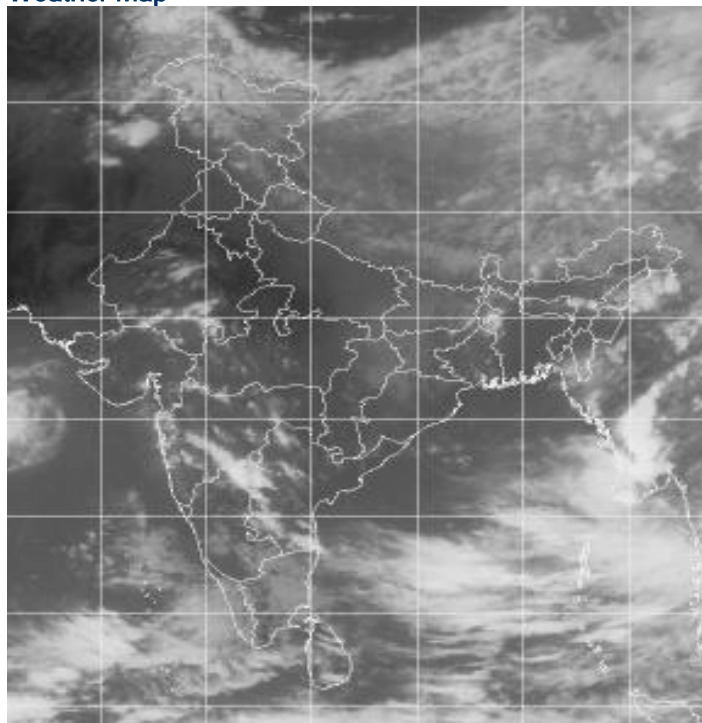
- Isolated heavy falls are likely over Jharkhand, Gangetic West Bengal, north Orissa, Tamil Nadu, Coastal & South Interior Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands

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

Fairly widespread rainfall activity likely over south peninsula .

Source: GOI (IMD)

Weather Map



Source-IMD FOREX RATE AS ON 26.09.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.97
European Union	Euro	58.63
Japan	100 Yen	39.51
United Kingdom	GBP	87.32

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