

## MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Sentiments Remained Steady

## NEWS ANALYSIS

### India Exported 600,000-700,000 MT of Soymeal to SE Countries

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.

### Soybean Meal: USDA Weekly Export Sales Highlights

Soybean Cake and Meal: Net sales of 93,100 MT were 48 percent above the previous week and 25 percent over the prior 4-week average. Major increases were reported for the Philippines (64,400 MT, including 24,000 MT switched from unknown destinations), Mexico (13,300 MT), Canada (8,000 MT), and Israel (7,500 MT). Decreases were reported for unknown destinations (24,000 MT). Net sales of 171,600 MT for delivery in 2006/07 were mainly for

Canada (84,000 MT), Mexico (32,200 MT), and unknown destinations (24,000 MT). Exports of 100,200 MT were 12 percent below the week earlier and 20 percent under the prior 4-week average. The primary destinations were Mexico (27,000 MT), the Philippines (25,300 MT), Canada (17,700 MT), and Colombia (13,300 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 mostly down on Monday. November soybean futures settled off 4.2 cents at \$5.45 and January off 3.4 cents at \$5.586 per bushel. December soybean futures finished off \$2.3 at \$163 per short ton and December soy oil down 4 points at 24.18 cents per pound. There was nothing to support bullish dispositions. Overnight weak closing of Malaysian Palm oil, weakness in other commodity markets and weather forecast calling for drier weather ahead were the prime bearish forces. Weekly export inspection came at 12.98

million bushels with in the range of earlier expectation of 11-16 million bushels. Yield this year is good so far and harvest is progressing well. Commitment-of-Traders report shows speculators having net short of nearly 83,000 contracts of soybean.

#### CBOT Soy Meal Futures as on September 22<sup>nd</sup> .

Month	Open	High	Low	Close	Chg
Sep06	168.3	168.4	164.7	165.2	-3.1
Oct06	168.8	168.8	164.5	165.3	-2.8

CBOT Remains Close on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

A steady sentiment at some upper side is continued in majority of spot markets. About 600,000-700,000 metric tons of soybean meal 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 soybean meal 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 Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	18.09.06	25.09.06
Indore (MP)	8100-8300	8000-8300
Datia (MP)	8500	8700
Shivpuri (MP)	-	8400
Nanded/Latur	9000-9100	9000
Dhulia/Jalna	8600	8600-8710
Nagpur (42/46)	8900	8700
Sangli	9200	8900-9000
Solapur	9100	9000
Kota	8450	8500

## Soy Meal Vessel Report (25.09.06)

### 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 12,700 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 completed at Kandla Port on the vessel 'Nagato' to Japan. Taurus agents handled the vessel.

'Surplus' is expected at Mumbai Port to load 6,000 MT of SBM. Chowgule 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	Loading	SBM	Japan
Jamnagar	'Jasmine Ace'	8000	Loading	SBM	Japan

### Rape/ Mustard meal

A 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 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.

### Groundnut meal

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.

### 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 to slightly weak 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:

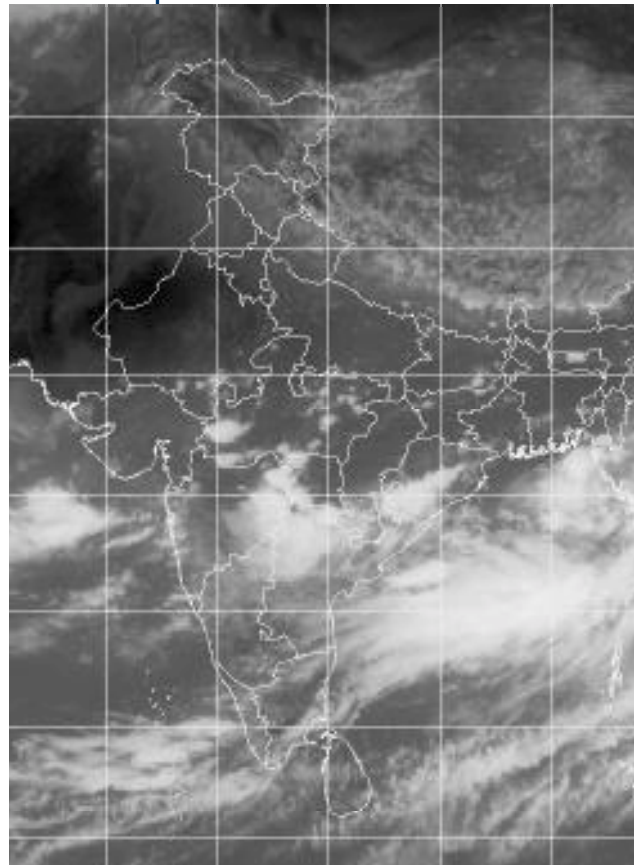
- Heavy to very heavy falls at a few places are likely over Konkan & Goa (including Mumbai), Madhya Maharashtra, Coastal Karnataka and Kerala. Isolated heavy to very heavy falls are also likely over south Gujarat, Marathwada, south Orissa, south Chhattisgarh, north Coastal Andhra Pradesh, Telangana and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