

## MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Sentiments Remained Steady

## NEWS ANALYSIS

### Soybean Meal: USDA Weekly Export Sales Highlights

Soybean Cake and Meal: Net sales of 16,900 MT were 66 percent below the previous week and 74 percent under the prior 4-week average. Major increases for the Dominican Republic (7,500 MT), Canada (5,900 MT), Honduras (5,300 MT), Mexico (5,200 MT), and Syria (5,000 MT) were partially offset by decreases for Colombia (12,700 MT) and Guatemala (3,700 MT). Net sales of 131,100 MT for delivery in 2006/07 (which began Oct. 1) were mainly for

South Korea (61,000 MT), Canada (22,400 MT), Mexico (18,700 MT), and the Dominican Republic (18,500 MT). Exports of 119,900 MT were 17 percent below the week earlier, but 7 percent above the prior 4-week average. The primary destinations were Mexico (30,400 MT), Canada (22,000 MT), the Dominican Republic (9,000 MT), Saudi Arabia (7,400 MT), and Jordan (7,200 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 Friday. November soybean settled off 5.25 cents at \$5.475 and January soybean off 4.5 cents at \$5.6225 per bushel. December soybean finished up \$0.3 at \$163.5 per short ton and December soybean oil off 13 points at 24.24 cents per pound. Mild support came from friendly stock report. United State Department of Agriculture (USDA) estimated the soybean stock as on September 1st at 448.8 million bushels, significantly lower than earlier expectation of 460-492 million bushels and previous estimate of USDA at 485 million bushels. However, weather forecast calling for

favorable situation for fieldwork next week in Western Corn belt weighed on values. Also, traders are expecting bearish numbers further from forthcoming monthly report of USDA. Weak enery markets pressured the oil. However, low deliveries (340 lots versus 1000-2000 lots expected) against October contract on First notice day provided little support.

#### CBOT Soy Meal Futures as on October 06<sup>th</sup>.

Month	Open	High	Low	Close	Chg
Oct06	167.0	168.3	165.0	166.0	-1.3
Dec06	169.0	171.0	166.7	167.8	-1.8

CBOT Remains Close on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

Soy meal sentiments remained range bound on fresh arrivals amidst steady demand. The domestic demand remained steady whereas, export of Soybean is at steady to lower side. However, the stock position is good. The peak arrival is likely to after Dipawali.. The fresh new arrivals is reported 35000 bags whereas carry forward stocks is almost 1 lakh tones (according to traders). Crushing is continued but at some lower amount. China scrapped an import duty on Indian

soybean and this led to wide the export market to China. However, India's export of soybean to Pakistan is likely to drop in the marketing year starting October due to the drop in the coming days due to the reason of rising the extraction of canola seeds in Pakistan. The import of canola seed is increasing and is likely to rise to 900,000 tonne by year-end. However, the Indian soybean has good export demand for poultry feed due to its nutritive value.

#### DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	03.10.06	07.10.06
Indore (MP)	8000-8200	800-8200
Datia (MP)	-	-
Shivpuri (MP)	8300	8400
Nanded/Latur	9000	8800
Dhulia/Jalna	8600	8500-8800
Nagpur (42/46)	8300-8500	8050-8300
Sangli	8800	8800
Solapur	8900	8700
Kota	8350	8400

## Soy Meal Vessel Report (07.10.06)

### Current vessel positions in different ports

Loading of 11,000 MT of SBM is continuing at Jamnagar Port on the vessel 'Dagat Blue' to Vietnam. The vessel is being handled by Interocean agents. 'Huang Shan' is expected at Jamnagar Port to load 12,600 MT of SBM to Korea. Interocean agents will be handling the vessel.

Kandla Port is expecting 'Tayson I' to load 10,500 MT of SBM to Indonesia. Liladhar Pasoo agents will be handling the vessel.

### Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Commodity	Destination
Jamnagar	Dagat Blue	11.000	Loading	SBM	Vietnam
Jamnagar	Huang Shan	12,600	Expecting	SBM	Korea
Kandla	Tayson I	10,500	Expecting	SBM	Indonesia

### Rape/ Mustard meal

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. The DOC prices at Kandla is quoted lower at Rs. 4675 in [PP bags) and in Mudra it is offered at Rs. 4725. At Jamnagar it is offered at Rs.4600. Jaipur market was offered the same at steady at Rs.3800 per ton. Kota quoted the same at Rs. 3850 per ton. Steady to weak tone likely to prevailed in the market. Datia Rs. 4200.

### 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
- Steady domestic demand
- Some fresh arrivals
- Competitive quotation of South American soy meal
- Lower crushing

### Outlook-

#### Short term (one week)

✍ Range bound to slightly weak on steady demand amidst increase supply.

## Monsoon Outlook (08.10.06)

- Morning's upper air cyclonic circulation over east central & adjoining northeast Bay of Bengal extending upto mid-tropospheric level persists. Under its influence, a low pressure area is likely to form within 1-2 days causing increase in rainfall activity over Orissa, Gangetic West Bengal and north Coastal Andhra Pradesh.
- The off-shore trough extending from Karnataka to Kerala coast persists.
- Conditions are favourable for further withdrawal of southwest monsoon from some more parts of west, central and east India during next 48 hours.

## Heavy Rainfall Warning:

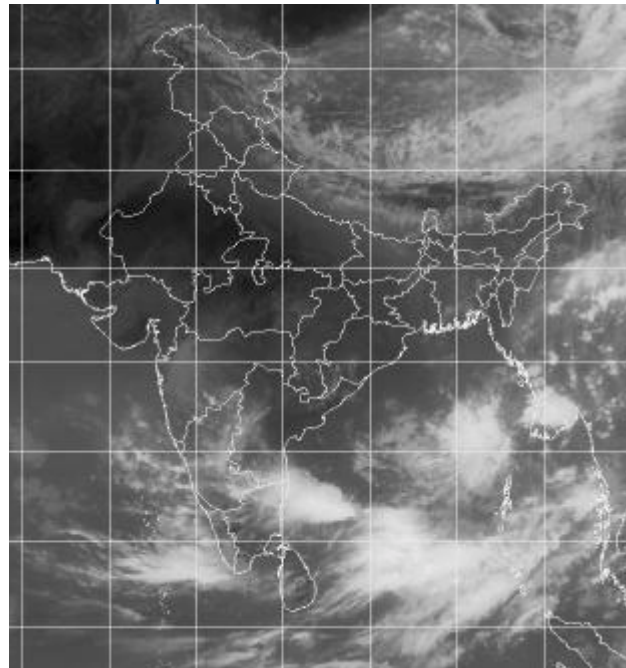
- Isolated heavy to very heavy falls are likely over Andaman & Nicobar Islands, Coastal Karnataka and Kerala.

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

- Scattered to fairly widespread rainfall activity is likely over south peninsula and along east coast.

Source: GOI (IMD)

## Weather Map



Source-IMD

## Forex

### Forex rate as on 07.10.06

Country/ Continent	Currency	Value In Rupees
USA	Dollar	45.61
European Union	Euro	57.85
Japan	100 Yen	38.63
United Kingdom	GBP	85.54

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