

OILMEAL

October09rd – 13th 2006

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal showed mixed sentiments

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Soybean Cake and Meal: As per USDA net sales of Soybean Cake and Meal for the 2006/07 marketing year (which began Oct. 1) were 101,400 MT. Major increases were reported for France (30,000 MT), unknown destinations (24,000 MT), Canada (18,100 MT), and Guatemala (12,400 MT). A total of 509,800 MT were outstanding on September 30 (the end of the 2005/06 marketing year) and were carried over to the 2006/07

marketing year. Exports of 26,000 MT for Sept. 29-30 were mainly for Mexico (14,700 MT). Accumulated exports for the year totalled 6,375,900 MT, up 6 percent from the 6,020,600 MT exported during the previous year. Exports of 61,800 MT for Oct. 1-5 were mainly for Canada (24,100 MT), Guatemala (16,500 MT), and Mexico (10,800 MT). Source: FAS, USDA

Export of Oil meal (Extractions) from April 06 to September '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
September 2006	179,475	92,775	5,000	32,850	---	14,225	324,325
	102,675	31,025	8,500	---	----	15,950	158,150
Total	975,975	451,075	48,100	94,750	---	63,575	1,633,475
	721,900	335,125	66,175	41,083	----	127,025	1,291,308
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

November Soybeans settled down 11.75 cents at \$ 5.915 per bushel, 3 .25 cents off the high and 13.25 cents up from the low. January Soybeans closed up 11 cents at \$ 6.055 per bushel. This was 13 .25 cents up from the low and 3.5 cents off the high. December Soybean meal closed up \$ 6.4 at \$ 179.7/ton. This was \$4.9 up from the low and \$0.3 off the high. December Soybean Oil finished up 0.04 cents at 24.93 cents / pound, 0.37 cents off the high and 0.01 cents up from the low. China provided good buying support for US Soybean thus helping to gain good support for export sales figure. The weekly sales estimate surpassed

trader's expectations by a significant margin from 45 to 65 % which brought the market above 100 day moving average since 14th of July allowing traders to cover their short positions. Whereas the meal and oil sales came up to the trader's expectations estimated and touched the figures of 1.02 lakh MT and 2400 MT respectively. Overall the solid sales gained good sentiments on account of delay in harvest of grains and strong overseas buying gave enough room for weekly soybean sales to touch a figure of 1.086 million MT.

CBOT Soy Meal Futures as on October 13th.

Month	Open	High	Low	Close	Chg
Oct 06	173.0	176.8	173.0	174.5	+2.5
Dec06	175.0	180.0	174.8	179.7	+6.4

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

The rates for soymeal improved marginally in MP on account of regional demand and procuring of soybean stock from traders and millers. In Maharashtra the rates remained range bound due to weak demand. A good arrival of soybean in MP tried was one of the reasons for marginal hike in rates. On export front the Indian soymeal has good demand for poultry

feed due to its nutritive value. The Soybean meal export jumped from 721,900 tons to 975,975 tons. Vietnam has become largest importers of Soybean meal and imported over 325,000 tons. China mainly imported Soybean meal to a tune of 79,800 tons as per Solvent Extractors Association of India.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	07.10.06	14.10.06
Indore (MP)	8000-8200	8300-8500
Datia (MP)	-	8500
Shivpuri (MP)	8400	8400-8500
Nanded/Latur	8800	8400
Dhulia/Jalna	8500-8800	8600
Nagpur (42/46)	8050-8300	8300
Sangli	8800	8800
Solapur	8700	8700
Kota	8400	8400-8500

Soy Meal Vessel Report (14.10.06)

Current vessel positions in different ports

Mumbai Port is loading 9,300 MT of SBM on the vessel 'Sinar Kudus'. A Seaworld agent is handling the vessel. Loading of 6,400 MT of SBM is continuing at Mumbai Port on the vessel 'Qi Lin Men'. A Chowgule agent is handling the vessel.

'Huang Shan' has berthed at Jamnagar Port and continues to load 12,600 MT of SBM to Korea. An interocean agent is 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. 'Hazel Ace' is expected at the port to load 9,000 MT of SBM to Japan. Taurus agents will be handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Commodity	Destination
Jamnagar	Huang Shan	12,600	Berthed	SBM	Korea
Kandla	Tayson I	10,500	Expecting	SBM	Indonesia
Mumbai	Sinar Kudus'	9,300	Loading	SBM	

Rape/ Mustard meal

Steady sentiments prevailed in the market on account of low demand from traders. Rates remained range bound and are likely to improve in coming days with further liquidation of stock from NAFED. Traders were reluctant to procure seed as old stock was reported to be exhausted and new stock was available at higher rate. The new stock was quoted at Rs 1590 per qt, 100 Rs higher than old stock. The DOC prices at Kandla was quoted lower at Rs. 4600 in [PP bags) and in Mundra it was offered at Rs. 5000. At Jamnagar it was offered at Rs.4540. Jaipur market was offered the same at steady at Rs.3700-3800 per ton. Kota quoted the same at

higher rate of Rs.3700- 3850 per ton. Steady to weak tone likely to prevailed in the market. Whereas in Datia it was quoted at Rs. 4250 per ton. As per Solvent Extraction Association of India rapeseed meal export increased from 335,125 tons to 451,075 tons, thanks to availability of rapeseed during off season from NAFED which not only boosted the crushing and oil availability but also increased availability of rapeseed extractions, lead to double the export of rapeseed meal in 2nd quarter, from 120,600 tons to 240,350 tons. China and South Korea imported rapeseed meal to a tune of 1.71 lakh tons and 1.65 lakh tons respectively.

Groundnut meal

Spot market sentiments remained firm though arrivals were reported to have increased marginally. With further decline in rates by October sentiments are likely to improve down the line. Rates remained range bound due to weak demand. As per an estimate 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. 6700-6725 while 45% was offered also steady at 7300-7400 per MT in Rajkot. As per Solvent Extractors Association of India the total export of oil meals during April to September 2006 is reported at 1,633,475 tons compared to 1,291,308 tons of last year i.e. up by 26%. China was the major importer of groundnut meal from India to a tune of 43,200 tonnes.

Soy Meal Price Drivers-

- Improving export demand
- Steady domestic demand

- Little change fresh arrivals
- Competitive quotation of South American soy meal
- Lower crushing

Outlook-

Short term (one week)

- ✍ Steady to weak sentiments on increasing arrivals.

Monsoon Outlook (14.10.06)

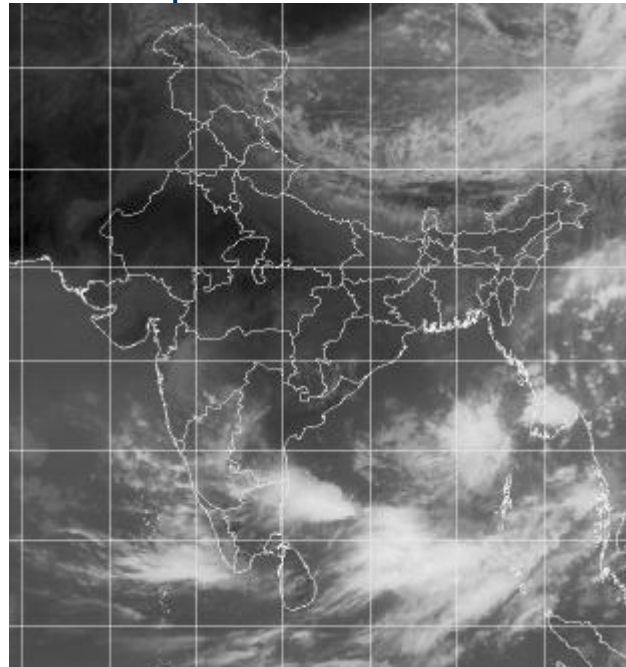
- The western disturbance as an upper air system is likely to cause scattered rainfall activity over Western Himalayan region during next 48 hours.
- Under the influence of an east-west shear zone extreme south peninsula is likely to experience scattered rainfall activity during next 2-3 days.

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

- The ongoing rainfall activity is likely to continue over south peninsular India.

Source: GOI (IMD)

Weather Map



Source-IMD

Forex

Forex rate as on 13.10.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.49
European Union	Euro	57.15
Japan	100 Yen	38.11
United Kingdom	GBP	84.64

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