

OILMEAL

October 13th, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Markets Remained Steady
- Mustard Meal Showing weak to average tone.

DOMESTIC MARKET

Soy meal

Soy meal sentiments remained average to moderate with fresh arrivals of soybean witnessed in MP and Maharashtra. Producers are willing to sell of their stock in the open market on account of better price realisation with approaching festive season. Spot market sentiments are likely to improve further in coming days. With an increase in crushing of canola seeds in Pakistan the sentiments for soymeal export to this nation is likely to suffer a setback. However, the Indian soymeal has good export 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 of Soybean rates at different centers

| Places | Ex-factory rates (Rs/ton) | | |
|----------------|---------------------------|-----------|---|
| | 12.10.06 | 11.10.06 | Parity To |
| Indore (MP) | 8200 | 8200 | Guj, MP |
| Datia (MP) | 8300 | 8700 | UP, Bihar, Bengal, Nepal |
| Shivpuri (MP) | 8400 | 8450 | UP, Bihar, Bengal, Nepal |
| Nanded/Latur | 8400 | 8500 | Andhra, AP, Kar, TN |
| Dhulia/Jalna | 8400-8500 | 8300-8500 | Mumbai Maharashtra |
| Nagpur (42/46) | 8400 | 8500 | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Sangli | 9700-8900 | 8900 | Local and South |
| Solapur | 8700 | 8500 | Local and South |
| Kota | 8200-8400 | 8400 | Rajasthan, Del, Punjab, Haryana |
| Dharwar | 8600 | 8300-8400 | |

DOC Port rate at different centers

| Centers | FOR Price | |
|---------|--------------------------|--------------------------|
| | 12.10.06 | 11.10.06 |
| Kandla | 8900 (Oct) 8850 (Nov) | 8900 (Oct) 8885 (Nov) |
| Mumbai | 8900 (Oct) 8850 (Nov) | 8850 (Oct) 8800 (Nov) |

Current vessel positions in different ports

Loading of 6,400 MT of SBM is continuing at Mumbai Port on the vessel 'Qi Lin Men'. Chowgule agents is handling the vessel. The port is expecting 'Sinar Kudus' to load 8,000 MT of SBM. Seaworld agents are handling the vessel. 'Huang Shan' has berthed at Jamnagar Port and continues to load 12,600 MT of SBM to Korea. 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 | Desti-Nation |
|----------|-------------|-----------|-----------|--------------|
| Jamnagar | Huang Shan | 12,600 | Berthed | Korea |
| Kandla | Tayson I | 10,500 | Expecting | Indonesia |
| Mumbai | Qi Lin Men | 6,400 | Loading | - |
| Mumbai | Sinar Kudus | 8,000 | Loading | Japan |

Rape/ Mustard Meal

Sentiments for rapeseed meal are likely to catch up the pace from weak to average level on account of good buying support from traders and manufacturers besides arrival pressure in the market. The DOC prices at Kandla is quoted lower at Rs. 4600 in (PP bags) and in Mundra it is offered at Rs. 5000. At Jamnagar it is offered at Rs.4530. Jaipur market was offered the same at steady at Rs.3900 per ton. Kota quoted the same at higher rate of Rs. 3850 per ton. Steady to weak tone likely to prevailed in the market. Whereas in Datia it was quoted at Rs. 4200 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.

Sunflower Meal Rates at Different Centres

| Places | Ex-factory rates (Rs/ton) | |
|--------------------|---------------------------|----------|
| | 11.10.06 | 10.10.06 |
| Chalisgaon | - | - |
| Khamgaon | - | - |
| Rudrapur | 4800 | 4885 |
| Parli/Latur/Nanded | 5000 | 5000 |

Groundnut DOC

The sentiments for groundnut meal remained steady on account of limited crushing of nuts. Although virtual demand for groundnut oil is reported to increase gradually which would directly affect the meal thus obtained. Rates for groundnut was reported to have decreased marginally with increase in arrivals of the same. Uneven rainfall distribution is said to have affected the arrivals of groundnuts to a larger extent thus affecting the rates for oil meal thus obtained. The prices of groundnut meal (40%) were quoted steady at Rs. 6700-6800 while 45% was offered also steady at 7200-7400 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.

CBOT Soy Meal Futures as on October 11th.

| Month | Open | High | Low | Close | Chg |
|-------|-------|-------|-------|-------|------|
| Oct06 | 166.2 | 166.5 | 165.6 | 166 | +0.2 |
| Dec06 | 167.2 | 168.5 | 166.9 | 167.2 | +0.4 |

Monsoon Outlook (12.10.06)

- The low-pressure area over east central & adjoining northeast Bay of Bengal now lies over northeast Bay of Bengal & neighbourhood.
- The off-shore trough from south Konkan & Goa to Kerala coast persists.
- The current meteorological analysis suggests that ongoing rainfall activity over extreme south peninsular India is likely to increase during next 2-3 days.

Heavy Rainfall Warning:

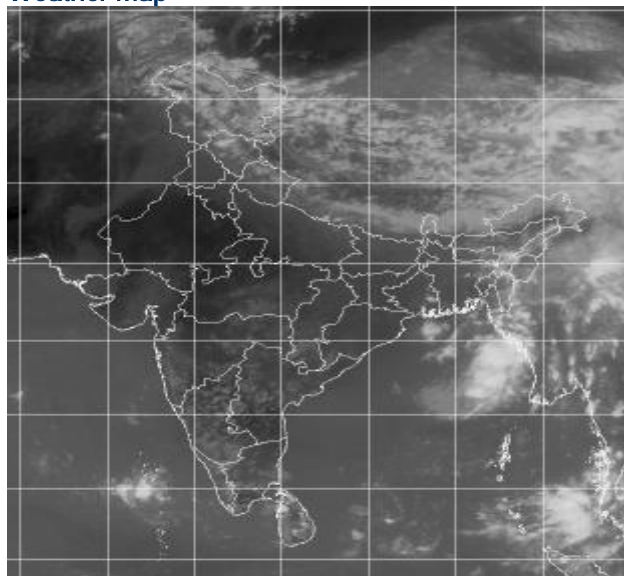
- Isolated heavy falls are likely over Andaman & Nicobar Islands, Coastal Karnataka and Kerala.

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

- Increase in the rainfall activity over Tamil Nadu & Pondicherry and adjoining peninsular India.

Source: GOI (IMD)

Weather Map



Source-IMD

FOREX RATE AS ON 12.10.06

| Country/Continent | Currency | Value in Rupees |
|-------------------|----------|-----------------|
| USA | Dollar | 45.60 |
| European Union | Euro | 57.17 |
| Japan | 100 Yen | 38.17 |
| United Kingdom | GBP | 84.73 |

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