

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal showed mixed sentiments

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 101,000 MT were 33 percent below the previous week. The major buyers were Mexico (38,400 MT), Canada (22,100 MT), the Dominican Republic (17,300 MT), and Japan (9,100 MT). Exports of 138,200 MT were 21 percent above the previous week and 19 percent over

the prior 4-week average. The primary destinations were Canada (28,700 MT), the Dominican Republic (25,600 MT), Mexico (20,600 MT), Turkey (15,500 MT), and Cuba (12,100 MT).

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

Soy futures at Chicago Board of Trade settle high on Friday. January soybeans settled up 7.25 cents at \$6.49/bushel, 4.5 cents off the high and 9.25 cents up from the low. March soybeans finished up 8 cents at \$6.58/bushel. This was 10 cents up from the low and 4.25 cents off the high. December Soymeal settled up \$1.6 at \$187.7/ton. This was \$ 1.1 up from the low and \$ 1.5 off the high. December Soybean Oil settled up 0.46 at 27.50 cents/pound, 0.08 cents off the high and 0.25 cents up from

the low. High buying support from wheat and corn helped in gained in soybean in the early-session. The fundamental idea to avoid gained in acreage in other grains provided underlying support to gain in soy futures. The high number of contracts provides additional support in the mid-session combining with the ideas with crop estimation for Australian canola crop far below to last year. The technical indicators also indicated that soy market in overbought condition but kept the pace along with gained in other grains crops.

CBOT Soy Meal Futures as on October 27th.

Month	Open	High	Low	Close	Chg
Dec 06	188.7	189.2	186.6	187.7	+1.6
Jan 07	189.8	189.8	187.0	187.8	+1.1

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

Soymeal sentiments remained steady for the whole week with a slightly bullish undertone by end of weekdays. Active buying from feed industry besides bullish sentiments for soy futures in International market scaled up the rates marginally. 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. On export front Vietnam, Indonesia, China and South Korea were important buyers as Indian soymeal was offered at competitive rates.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	23.10.06	27.10.06
Indore (MP)	8400-8450	8500-8600
Datia (MP)	8300	8450
Shivpuri (MP)	8500-8600	8400
Nanded/Latur	8300-8400	8400
Dhulia/Jalna	8550-8600	8600
Nagpur (42/46)	8100-8400	8700-8800
Sangli	8700- 8800	8000-8300
Solapur	8600	9000
Kota	8400	8700

Soy Meal Vessel Report (27.10.06)

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.

Loading of bagged SBM has started at Mumbai port on the vessel Badulu Valley. Sai Freight Pvt Ltd is the agent handling the vessel. Other vessels that are expected soon are Bright KC and Induruwa Valley-VI, which would be handled by Sai freight P.Ltd.

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	-
Mumbai	Badulu Valley	3500	Loading	SBM	-
Mumbai	Induruwa Valley - VI	2700	Expected	SBM	-

Rape/ Mustard meal

Spot market sentiments remained steady with range bound rates. The meal is being utilized as additive in animal feed. The demand from feed industry is likely to pick up pace by November. The DOC prices at Kandla were quoted at Rs. 4700 in (PP bags) and in Mundra it is offered at Rs. 4800. At Jamnagar it is offered at Rs.4650. Jaipur market was offered the same at steady at Rs.3900 per ton. Kota quoted at a rate of Rs.3800 per ton. Whereas in Datia it was quoted at Rs. 4300 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

The demand for groundnut meal remained steady with rates remaining range bound. Spot market reopened on Friday after a long festive gap. 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. Millers are said to be building their buffer stock so as to adjust for any shortfall during peak crushing time starting from November. 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 & domestic demand
- Marginal hike in arrivals
- Indian soymeal offered at competitive prices in overseas market.

Outlook-

Short term (one week)

- ✍ Mixed sentiments likely to prevail for the week.

Monsoon Outlook (27.10.06)

- Under the influence of a cyclonic circulation, fairly widespread rainfall is likely over south peninsula during next 3-4 days.

HEAVY RAINFALL WARNING (VALID FOR 48 HOURS).

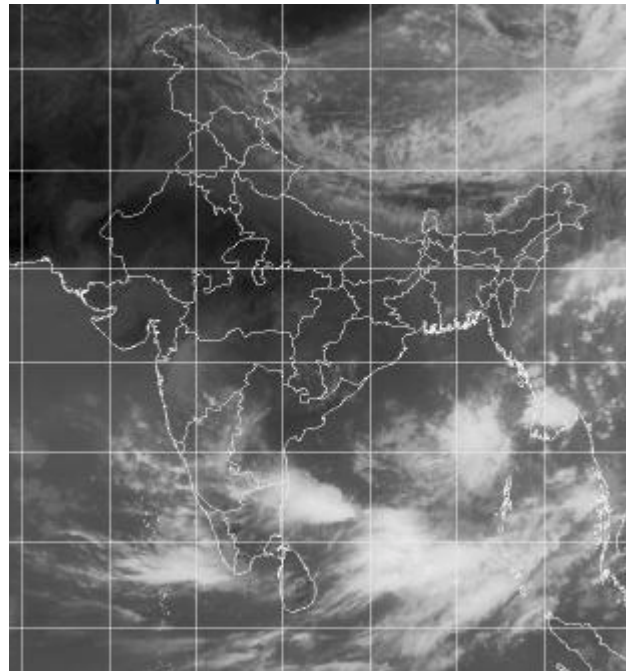
- Isolated heavy falls likely over Tamil Nadu & Pondicherry, Kerala, Lakshadweep and Nicobar islands.

Outlook for subsequent two days from 0830 hours IST of 30th October 2006 (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 27.10.06

Country/ Continent	Currency	Value In Rupees
USA	Dollar	45.22
European Union	Euro	57.34
Japan	100 Yen	38.18
United Kingdom	GBP	85.49

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