

OILMEAL

October 09<sup>th</sup>, 2006

## MAJOR ACTIVITY HIGHLIGHTS

- Soymeal Markets Remained Steady
- Mustard Meal Weak on Poor Demand

## DOMESTIC MARKET

### Soy meal

Soy meal sentiments remained range bound on fresh arrivals amidst steady demand. The domestic demand remained steady whereas, export of Soymeal 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 soymeal and this led to wide the export market to China. However, India's export of soymeal 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 soymeal has good export demand for poultry feed due to its nutritive value.

### DOC of Soybean rates at different centers

Places	Ex-factory rates (Rs/ton)		
	07.10.06	06.10.06	Parity To
Indore (MP)	800-8200	7950-8200	Guj, MP
Datia (MP)		-	UP, Bihar, Bengal, Nepal
Shivpuri (MP)	8400	8350	UP, Bihar, Bengal, Nepal
Nanded/Latur	8800	8850-8880	Andhra, AP, Kar, TN
Dhulia/Jalna	8500-8800	8550	Mumbai Maharashtra
Nagpur (42/46)	8050-8300	8050-8300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	8800	8850	Local and South
Solapur	8700	8700	Local and South
Kota	8400	8320-8325	Rajasthan, Del, Punjab, Haryana
Dharwar	8500	-	

### DOC Port rate at different centers

Centers	FOR Price	
	07.10.06	06.10.06
Kandla	8850	8800
Mumbai	8900	8900

### 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	Desti-Nation
Jamnagar	Dagat Blue	11.000	Loading	Vietnam
Jamnagar	Huang Shan	12,600	Expecting	Korea
Kandla	Tayson I	10,500	Expecting	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.

### Sunflower Meal Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	07.10.06	06.10.06
Chalisingaon	-	-
Khamgaon	-	-
Rudrapur	4800	4800
Parli/Latur/Nanded	5000	5500

### Groundnut DOC

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.

#### 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

#### Monsoon Outlook (07.10.06)

- An off-shore trough extends from Karnataka to Kerala coast.
- Main rainfall activity is likely to remain confined to south peninsula during next 2-3 days
- A north-south trough extends from northeast Bay of Bengal to southwest Bay of Bengal with embedded upper air cyclonic circulations, one over northeast Bay of Bengal and another over southwest & adjoining west-central Bay of Bengal.
- Conditions are favourable for further withdrawal of southwest monsoon from east & central parts of India during next 48 hours.

#### Heavy Rainfall Warning:

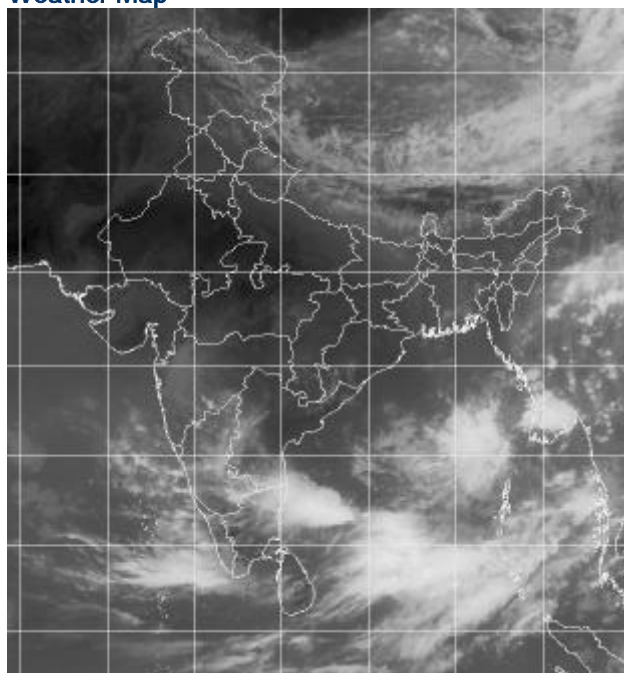
- Isolated heavy to very heavy falls are likely over Andaman & Nicobar Islands, Coastal Karnataka, Kerala and Lakshadweep.

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

- Enhanced rainfall activity likely to continue over Andaman & Nicobar Islands.
- Scattered rainfall is likely over south peninsula.

Source: GOI (IMD)

#### Weather Map



Source-IMD

#### 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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