

OILMEAL

October 07th, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC MARKET

Soy meal

Almost a range bound tone is dominating in domestic market on steady demand amidst some arrivals. The fresh arrivals reported 10000 bags whereas carry forward stocks is almost 20000 bags (according to traders). The peak arrival is likely to after Dipawali. 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. In the year ending September 2006, India has exported higher amount around 70,000-100,000 tonne of soymeal to Pakistan as compared to previous year. However, 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)		
	06.10.06	05.10.06	Parity To
Indore (MP)	7950-8200	7900-8200	Guj, MP
Datia (MP)	-	-	UP, Bihar, Bengal, Nepal
Shivpuri (MP)	8350	8350	UP, Bihar, Bengal, Nepal
Nanded/Latur	8850-8880	8880	Andhra, AP, Kar, TN
Dhulia/Jalna	8550	8550	Mumbai Maharashtra
Nagpur (42/46)	8050-8300	8000-8300	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	8850	8800	Local and South
Solapur	8700	8700	Local and South
Kota	8320-8325	8325	Rajasthan, Del, Punjab, Haryana
Dharwar	-	-	

DOC Port rate at different centers

Centers	FOR Price	
	06.10.06	05.10.06
Kandla	8800	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

Steady to 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. 4700 in [PP bags) and in Mudra it is offered at Rs. 4800. At Jamnagar it is offered at Rs.4650. Jaipur market was offered the same at steady at Rs.3800 per ton. Kota quoted the same at Rs. 3800 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)	
	06.10.06	05.10.06
Chalisingaon	-	-
Khamgaon	-	-
Rudrapur	4800	4800
Parli/Latur/Nanded	5500	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 05th.

Month	Open	High	Low	Close	Chg
Oct06	165.3	168.5	164.3	167.3	+2.3
Dec06	167.8	170.8	166.3	169.6	+2.5

Monsoon Outlook (06.10.06)

- An off-shore through extends from south Konkan to Karnataka coast. It is likely to cause fairly widespread rainfall with isolated heavy falls over south Konkan & Goa, Coastal Karnataka and Kerala during next 1-2 days.
- A fresh upper air cyclonic circulation extending upto 3.1 Km above sea level has formed over east central & adjoining southeast Bay of Bengal.

Heavy Rainfall Warning:

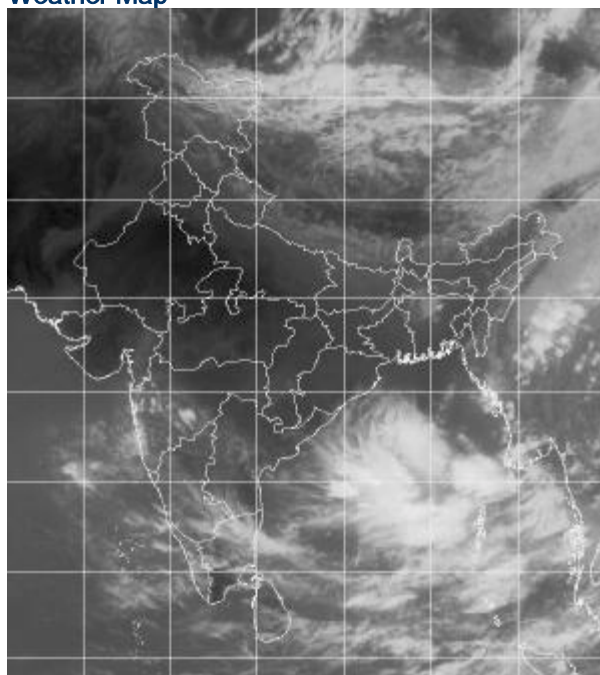
- Isolated heavy to very heavy falls are likely over Andaman & Nicobar Islands during next 2-3 days. Isolated heavy rainfall also likely over south Konkan & Goa, Coastal Karnataka and Kerala.

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

- Scattered to fairly widespread rainfall is likely over northeastern States, Coastal Karnataka and Kerala.

Source: GOI (IMD)

Weather Map



Source-IMD

FOREX RATE AS ON 05.10.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.71
European Union	Euro	58.10
Japan	100 Yen	38.84
United Kingdom	GBP	86.22

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