

OILMEAL

October 04th, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC MARKET

Soy meal

Soymeal market remained almost steady on steady domestic demand. The export demand is steady to slightly improve. About 600,000-700,000 metric tons of soymeal is exported from India to Southeast Asian countries at \$225-\$235 a ton on cost and freight basis. 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)		
	03.10.06	30.09.06	Parity To
Indore (MP)	8000-8200	7900-8200	Guj, MP
Datia (MP)	-	8700	Up, Bihar, Bengal, Nepal
Shivpuri (MP)	8300	8200	Up, Bihar, Bengal, Nepal
Nanded/Latur	9000	8900-9000	Andhra, AP, Kar, TN
Dhulia/Jalna	8600	8600	Mumbai Maharashtra
Nagpur (42/46)	8300-8500	8200-8500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	8800	8800-8900	Local and South
Solapur	8900	8900	Local and South
Kota	8350	8300	Rajasthan, Del, Punjab, Haryana
Dharwar	8700	8700	

DOC Port rate at different centers

Centers	FOR Price	
	03.10.06	30.09.06
Kandla	8900	9000
Mumbai	9100	9000

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. 'Jasmine Ace' has berthed at Jamnagar Port and continues to load 8,000 MT of SBM to Japan. Overseas agents is handling the vessel.

'Surplus' is expected at Mumbai Port to load 6,000 MT of SBM. Chowgule agents will be handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Desti-Nation
Jamnagar	Dagat Blue	11.000	Loading	Vietnam
Jamnagar	'Jasmine Ace'	8000	Berthed	Japan

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. 5050. No stock at Jamnagar is reported. Jaipur market was offered the same at steady at Rs.3800 per ton. Kota quoted the same at Rs. 3825 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)	
	03.10.06	30.09.06
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 02nd .

Month	Open	High	Low	Close	Chg
Oct06	164.5	164.5	162.0	162.1	+0.2
Dec06	165.5	165.8	163.3	163.5	-

Monsoon Outlook (03.10.06)

- Southwest monsoon has further withdrawn from remaining parts of West Uttar Pradesh & Rajasthan, many parts of East Uttar Pradesh, West Madhya Pradesh & North Gujarat and some parts of Bihar and East Madhya Pradesh. The withdrawal line passes through Raxaul, Allahabad, Bhopal, Vallabha Vidyanagar and Porbandar.
- Yesterday's upper air cyclonic circulation over Marathwada now lies over Madhya Maharashtra & neighbourhood. Under its influence, fairly widespread rainfall with isolated heavy to very heavy falls are likely over south Konkan & Goa and Coastal Karnataka during next 48 hours.

Heavy Rainfall Warning:

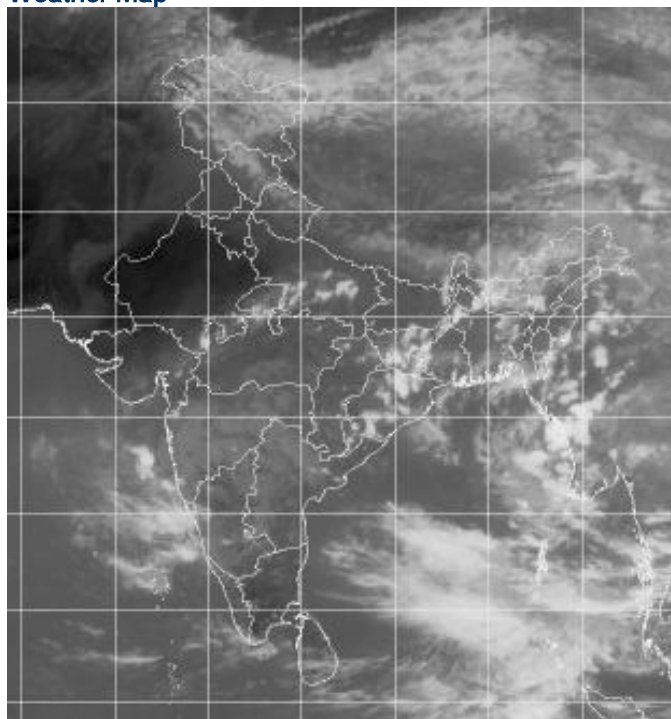
- Isolated heavy to very heavy falls are likely over south Konkan & Goa, Coastal Karnataka and Andaman & Nicobar Islands.

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

- Decrease in rainfall activity is likely over Konkan & Goa and Coastal Karnataka.
- Fairly widespread rainfall is likely over northeastern States.

Source: GOI (IMD)

Weather Map



Source-IMD FOREX RATE AS ON 03.10.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.84
European Union	Euro	58.51
Japan	100 Yen	38.97
United Kingdom	GBP	86.57

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