

## OILMEAL

October- 13 to 17, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Market sentiments Improved considerably.

### NEWS ANALYSIS

#### Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 132,700 MT were 50 percent below the previous week and 8 percent under the prior 4-week average. Major increases were reported for the Dominican Republic (40,700 MT), Mexico (39,400 MT), Canada (35,200 MT) unknown destinations (24,000 MT), and Israel (22,500 MT, including 15,000 MT switched from South Korea). Exports of 134,100 MT were 11 percent above the

previous week and 10 percent over the prior 4-week average. The primary destinations were the Dominican Republic (39,000 MT), Canada (23,800 MT), Mexico (18,100 MT), Colombia (12,600 MT), and Guatemala (11,600 MT).

Source: USDA

#### Export of Oil meal (Extractions) from April 06 to October '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
October 2006	219,500	74,000	---	21,950	---	17,175	332,625
	160,250	37,250	8,825	---	----	3,100	209,425
Total	1,195,475	525,075	48,100	116,700	---	80,750	1,966,100
	882,150	372,375	75,000	41,083	----	130,125	1,500,733
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 ended mixed on Friday on Chicago Board of Trade. January soybeans futures settled up 4 cents at \$6.605 and March settled weak 4 cents at \$6.7275 per bushel. December soymeal finished high \$0.4 at \$190.4 per short ton and Dec soybean oil settle down 0.05 points at 28.28 cents per pound. Firm trade in corn supported and weakness in energy and energy markets helped January soybeans to close higher on the day. Temporary news of

Argentina suspending oilseed and grain exports prompted for hike in buying interest for January soybean. China futures market was reported to be in oversold region for quite amount of time that gave additional support for Jan soybeans to open higher. March oils gained a high due to inside trading session. March meal registered a higher close after mid-session after a very low level reported from 1st of this month.

#### CBOT Soy Meal Futures as on November 16 th.

Month	Open	High	Low	Close	Chg
Dec 06	193.2	194.1	189.0	190.0	-2.5
Jan 07	194.3	195.2	190.4	191.9	-1.5

CBOT Remains Close on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

Soy meal traded with range bound sentiments. An increase in rates for soybean in physical markets led to decline in net crushing margins for soybean processing units. Bearish soy meal futures for major part of the week and good demand for soy oil in domestic market kept the sentiments steady. Due to acute congestion at Kandla & Mundra ports it is likely that shipments of soymeal to export destinations would delay

further. However gradual increase in demand from feed industry during this fortnight would improve the sentiments to considerable extent. Good trend for exports until last month would keep the tempo up for soymeal exports for the days to come. The total export of oil meals during April to October 2006 is reported at 1,966,100 tons compared to 1,500,733 tons of last year i.e. up by 31%.

#### DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	13.11.06	17.11.06
Indore (MP)	9200	9100-9200
Datia (MP)	9400	9200-9300
Shivpuri (MP)	9050	9000
Kota	8950	9100
Nanded/Latur	9500-9700	9300
Dhulia/Jalna	9400-9500	9400-9500
Nagpur (41/45)	8500-8900	8800-9000
Sangli	9800-9900	10,000
Solapur	9800	9800

#### Soy Meal Vessel Report (17.11.06)

### Current vessel positions in different ports

Induruwa Valley-VI vessel is expected soon by 17/11/06, which would be handled by Sai freight P.Ltd. Bright KC has berthed at port and is ready for sailing. Jaipur vessel has berthed at Mumbai port and will load SBM, Shaan marine services is handling the vessel. 'M.V. Iran Broojer DI' is

expected vessels to be berthed at Kandla Port, it would be loading 13,000 tonnes of SBM. Taurus agents will be handling the vessel. Vessel M.V Manisam is expected to berth today at Kandla port. Taurus agent is handling the vessel. It will load 15,000 tonnes of SBM.

### Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Commodity	Destination
Mumbai	Jaipur	-	Loading	Mumbai	-
Mumbai	Induruwa Valley - VI	2700	Expected	Mumbai	-
Mumbai	Bright KC	7500	Ready	Mumbai	-
Kandla	M.V. Iran Broojer DI	13,000	Berthed	Kandla	-
Kandla	M.V. Manisam UGT Naree	15,000	Waiting for berth.	Kandla	-

### Rape/ Mustard meal

Spot market sentiments improved marginally due to demand from domestic and overseas feed industry. Traders are optimistic that demand would further increase by month end. The rapeseed meal is an important constituent to be used as additive in feeds for livestock industry. Due to good availability of rapeseed during off-season export demand for the meal increased considerably in comparison to previous year's estimates thus boosting domestic market sentiments. The rapeseed meal is an important constituent as additive in feeds for livestock industry. Rates improved slightly due to increase in consignments for rapeseed meal for export purpose. The DOC prices at Kandla were quoted at Rs. 5100

in [PP bags] and in Mundra it is offered at Rs. 5200. At Jamnagar it is offered at Rs.5050. Jaipur market was offered the same at Rs.4500 per ton & Kota was quoted at Rs 4550 per ton. The demand from feed industry is likely to pick up pace by November. As per SOPA, rapeseed meal export increased from 372,375 tons to 525,075 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 boost the export of rapeseed meal. South Korea a traditional importer of rapeseed meal bought nearly 198,000 tons of rapeseed meal.

### Groundnut meal

Market sentiments well followed the spot market trend. Availability of meal would increase in second fortnight with further influx of groundnut and crushing to yield edible oil and meal. However rates largely depends on ready availability of groundnut meant for crushing, demand from livestock industry and net crushing margins for groundnut expeller units. However the trend for groundnut meal well follows the soymeal in terms of preference and pricing at consumers end. At export front, China was a major importer of Indian groundnut meal on account of its price competitiveness. 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 export demand is also reportedly steady at some lower side. The prices of groundnut meal (40%) were quoted steady at Rs.7500 while 45% was offered also steady at 8000-8100 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-

- Steady domestic demand.
- Overseas buyers from Japan and South Korea.
- Acute congestion at ports due to unloading of wheat and fertilizers.

### Outlook-

#### Short term (one week)

☞ Sentiments likely to show average to moderate tone.

## Monsoon Outlook (17.11.06)

- Ongoing rainfall activity over extreme south peninsula is likely to increase where fairly widespread rainfall with isolated heavy falls is likely during next 48 hours.
- Night temperatures are 3-6 °C above normal over plains of northwest India. With the eastward movement of western disturbance, which is currently located over Jammu & Kashmir, night temperatures are likely to fall by 2-3 °C during next 3 days over the region.

## HEAVY RAINFALL WARNING (VALID FOR 48 HOURS).

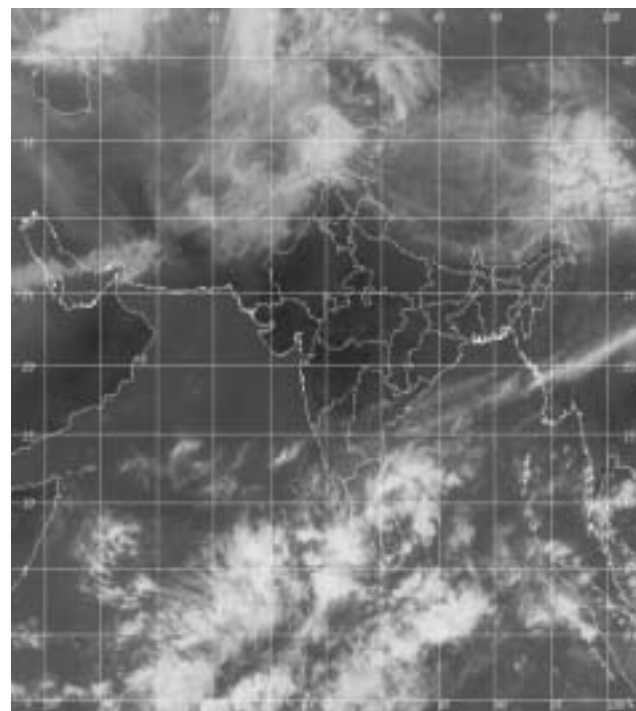
- Isolated heavy rainfall is likely over Tamil Nadu & Pondicherry, Kerala, Lakshadweep and south Coastal Andhra Pradesh

## Outlook for subsequent two days from 0830 hours IST of 20th November 2006 (Based on numerical weather products):

- A fresh western disturbance is likely to affect western Himalayan region.

Source: GOI (IMD)

## Weather Map



Source-IMD

## Forex

### Forex rate as on 17.11.06

Country/ Continent	Currency	Value in Rupees [13.11.06]	Value in Rupees [17.11. 06]
USA	Dollar	44.90	45.01
European Union	Euro	57.78	57.48
Japan	100 Yen	38.25	38.02
United Kingdom	GBP	85.91	84.91

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