

## OILMEAL

November- 20 to 25, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Market sentiments remained steady.

### NEWS ANALYSIS

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

Net sales of 245,900 MT were 85 percent above the previous week and 77 percent over the prior 4-week average. Major increases for Mexico (85,000 MT), Chile (44,400 MT), Canada (37,600 MT), Egypt (23,200 MT), and Japan (17,000 MT). Decreases were reported for Israel (7,500 MT) and Guatemala (5,500 MT). Exports of 123,500

MT were 8 percent below the previous week and 3 percent under the prior 4-week average. The primary destinations were Chile (44,400 MT), Mexico (28,700 MT), and Canada (22,100 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 high on Friday on Chicago Board of Trade. January soybeans futures settled high 10.25 cent at \$6.8425 and March ended up 10.0 cent at \$6.9675 per bushel. December soymeal finished high \$2.7 at \$194.8 per short ton and Dec soybean oil ended up 0.02 points at 28.89 cents per pound. Firm trade in corn managed to support January soybean futures from declining due to

weakness in energy, metals and other commodities. Temporary suspension of exports of oilseeds and grains from Argentina besides firm prices of soybean in China helped to gain for Jan soybeans. Though producers sold off lesser produce but firm cash basis levels added to positive pitch. Inside trading session for March oil and firm meal managed to give additional support to soy futures.

#### CBOT Soy Meal Futures as on November 24.

Month	Open	High	Low	Close	Chg
Dec06	192.0	195.6	191.9	194.8	+2.7
Jan07	194.3	197.2	194.0	196.6	+2.7

CBOT Remains Close on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

Market sentiments improved initially on account of good physical demand and improved soy futures in overseas. By end of week it became steady as consignments for soymeal exports were delayed due to congestion at different ports. Hike in rates for soybean in major spot markets had reduced the net crushing margins the meal thus obtained. Delay in

shipments in Indian ports had given edge to overseas suppliers for selling off soymeal at competitive prices. 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)	
	20.11.06	25.11.06
Indore (MP)	9300	9250-9300
Datia (MP)	9200	9200-9250
Shivpuri (MP)	9000	9000
Kota	9000	8900-9000
Nanded/Latur	9300	9200-9400
Dhulia/Jalna	9500-9600	9400-9500
Nagpur (41/45)	8500-8800	8800-9000
Sangli	10,000 - 10,200	10,000-10,100
Solapur	9800	9700

#### Soy Meal Vessel Report (25.11.06)

##### Current vessel positions in different ports

Induruwa Valley-VI vessel has sailed on 24/11/06, the vessel was 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. Rizvi shipping is handling the vessel Raj Milan.

'M.V. Iran Brooger 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 has sailed from Kandla port. Taurus agent handled the vessel. It loaded 15,000 tonnes of SBM.

##### Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Commodity	Destination
Mumbai	Jaipur	-	Loading	Mumbai	-
Mumbai	Induruwa Valley - VI	2700	Sailed	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	Sailed	Kandla	-

### Rape/ Mustard meal

Spot market sentiments improved for this week also due to consistent demand from domestic & overseas feed industry. 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 DOC prices at Kandla were quoted at Rs. 5300-5650 in [PP bags] and in Mundra it is offered at Rs. 5400-5550. At Jamnagar it is offered at Rs.5550 - 5600. At Jaipur market

the rate quoted stood at Rs.4500- 4700 per ton & Kota was quoted at Rs 4900 per ton. At Datia it was offered at Rs 5000 per ton. 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 improved initially but fell later attained steady tone due to decrease in base arrivals of groundnut. However the trend for groundnut meal well follows the soymeal in terms of preference and pricing at consumers end. A further influx of groundnut amidst demand from feed industry would decide the sentiments for the day to come. 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.

Groundnut meal at 40% and 45% were quoted at Rs 7600-7700 and Rs 8000-8200 per MT respectively in Rajkot. As per SOPA, export of oil meals for the month of October 2006 was reported at 332,625 tons compared to 209,425 tons in October last year i.e. up by 59%. 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%. China was the main importer of groundnut meal for this year; the imports were to a tune of 43,200 tonnes till October 2006.

### Soy Meal Price Drivers-

- Steady domestic demand.
- Overseas suppliers offering meal at competitive prices.
- Acute congestion at ports due to unloading of wheat and fertilizers.

### Outlook-

#### Short term (one week)

☞ Sentiments likely to range bound.

## Monsoon Outlook (25.11.06)

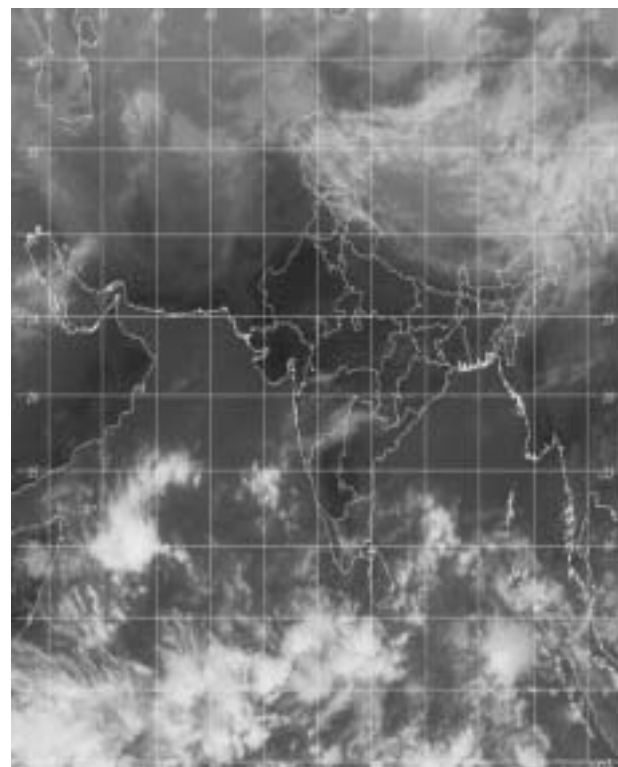
- Night temperatures have fallen by 3-4°C over northwest India and adjoining central India. They have become near normal over some parts of the plains of northwest India but are still above normal by 2-4°C over remaining parts of northwest and adjoining central India.
- Current meteorological analysis suggest they will fall further by 2-3°C over north & central India thus becoming normal over the region during next 1-2 days. Night temperatures are also likely to fall over parts of East India.
- Subdued rainfall activity is likely to continue over south Peninsula during next 3-4 days.

## Outlook for subsequent two days from 0830 hours IST of 28th November 2006 (Based on numerical weather products:

- A fresh western disturbance is likely to affect western Himalayan region.
- Fall in the night temperature over East India and Maharashtra. Subdued rainfall activity likely to continue over south Peninsula.
- Mainly dry weather likely to continue over northwest India.

Source: GOI (IMD)

## Weather Map



Source-IMD

## Forex

### Forex rate as on 25.11.06

Country/ Continent	Currency	Value in Rupees [20.11.06]	Value in Rupees [25.11. 06]
USA	Dollar	44.86	44.87
European Union	Euro	57.59	58.15
Japan	100 Yen	38.04	38.57
United Kingdom	GBP	84.97	85.99

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