

## OILMEAL

October- 30 to Nov - 04, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Market sentiments Improved considerably.

### NEWS ANALYSIS

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

Net sales of 5,800 MT were mainly for Mexico (3,700 MT), Guatemala (1,500 MT), and Canada (400 MT). Exports of 7,800 MT were primarily for Guatemala (4,000 MT),

Jamaica (2,200 MT), Mexico (700 MT), and Canada (500 MT). Source: USDA

Export of Oil meal (Extractions) from April 06 to September '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
Total	975,975	451,075	48,100	94,750	---	63,575	1,633,475
	721,900	335,125	66,175	41,083	----	127,025	1,291,308
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 finished up on Friday. January soybean futures finished up 1.50 cents at \$6.6275 and March up 1.50 cents at \$6.7375 per bushel. December soymeal finished up \$0.2 at \$195.5 per short ton and Dec soybean oil up 0.18 points at 27.68 cents per pound. In early-session, speculative buying pushed the market down but gradually increase in fund buyers in mid-session and helped market to recover from recent losses with gains of 14 cents for January

soybeans in end of the trade day. Huge deliveries with lack of private houses had bearish impact. Ideas that soybean should stay higher in order to avoid too much acreage in corn, helped soybean to re bound with slightly gain. Some support provided from increasing meal production in order to meet rising bio-diesel production and addition support came from its competitive ethanol production.

### CBOT Soy Meal Futures as on November 3rd.

Month	Open	High	Low	Close	Chg
Dec 06	196.1	197.7	194.3	195.5	+0.2
Jan 07	195.5	198.0	194.5	195.8	-0.1

CBOT Remains Close on Saturday and Sunday

## DOMESTIC MARKETS

### Soy meal

Soymeal sentiments improved considerably on good demand from feed industry in domestic and South East Asian countries. With the poultry sector growing at 10%, the shortfall in domestic maize crop is a cause for concern that added to support bullish trend for soymeal in major markets. Nearly bullish sentiments for soy futures in International and domestic futures market scale up rates to some extent. Domestic production of other soymeal exporting country is likely to fall owing to reduced production thus allowing India

an edge over others in terms of pricing. The Soybean meal export jumped from 721,900 tons to 975,975 tons. Vietnam has become largest importers of Soybean meal and imported over 325,000 tons. China mainly imported Soybean meal to a tune of 79,800 tons as per Solvent Extractors Association of India. On export front Vietnam, Indonesia, China and South Korea were important buyers as Indian soymeal was offered at competitive rates.

### DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	30.10.06	04.11.06
Indore (MP)	8600	8900
Datia (MP)	8400-8500	8600-8800
Shivpuri (MP)	8400	8600-8800
Kota	8400	8600
Nanded/Latur	8700-8800	8700-9000
Dhulia/Jalna	8800	9100-9200
Nagpur (41/45)	8300-8400	8300-8700
Sangli	9000	9300-9500
Solapur	8800-8850	9300

### Soy Meal Vessel Report (03.11.06)

#### Current vessel positions in different ports

Loading of bagged SBM has started at Mumbai port on the vessel Badulu Valley. Sai Freight Pvt Ltd is the agent handling the vessel. Other vessel that is expected soon is Induruwa Valley-VI, which would be handled by Sai freight P.Ltd. Bright KC has berthed at port and is ready for sailing.

'M.V. Ocean Concord' & 'M.V. Iran Broojer DI' are the expected vessels to be berthed at Kandla Port, they would be loading 9000 MT & 13,000 tonnes of SBM respectively. Taurus agents will be handling the vessel.

### Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Commodity	Destination
Mumbai	Badulu Valley	3500	Loading	SBM	Korea
Mumbai	Induruwa Valley - VI	2700	Expected	SBM	Indonesia
Mumbai	Bright KC	7500	Ready	SBM	-
Kandla	M.V. Ocean Concord	9000	Expected	SBM	-
Kandla	M.V. Iran Broojer DI	13,000	Berthed	SBM	-

### Rape/ Mustard meal

Spot market sentiments remained steady with range bound rates. Slight improvement in rates was noticed by end of week due to demand from South Korea and Far East Countries. The meal is being utilized as additive in animal feed. The demand from feed industry is likely to pick up pace by November. The DOC prices at Kandla were quoted at Rs. 5000 in [PP bags) and in Mundra it is offered at Rs. 5100. At Jamnagar it is offered at Rs.4950. Jaipur market was offered the same at steady at Rs.3900 per ton. No quote was obtained from Kota and Datia. Steady to weak tone likely to

prevailed in the market. As per Solvent Extraction Association of India rapeseed meal export increased from 335,125 tons to 451,075 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 double the export of rapeseed meal in 2nd quarter, from 120,600 tons to 240,350 tons. China and South Korea imported rapeseed meal to a tune of 1.71 lakh tons and 1.65 lakh tons respectively.

### Groundnut meal

Market sentiments for Groundnut DOC remained steady due to normal demand. The DOC prices at Kandla were quoted at Rs. 5000 in [PP bags) and in Mundra it is offered at Rs. 5100. At Jamnagar it is offered at Rs.4950. Jaipur market was offered the same at steady at Rs.3900 per ton. No quote was obtained from Kota and Datia. Millers are said to be building their buffer stock so as to adjust for any shortfall during peak crushing time starting from November. 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 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. 6700-6750 while 45% was offered also steady at 7300-7600 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-

- Improved domestic demand.
- Overseas buyers from Japan and South Korea.
- Competitively priced soymeal in world market.

### Outlook-

#### Short term (one week)

✍ Sentiments likely to show average to moderate tone.

## Monsoon Outlook (03.11.06)

- Under the influence of a cyclonic circulation, fairly widespread rainfall is likely over south peninsula during next 3-4 days.
- Under the influence of a trough in mid tropospheric westerlies extending from west Uttar Pradesh to east central Arabian sea, isolated to scattered rainfall is also likely over parts of east India and adjoining parts of central India.

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

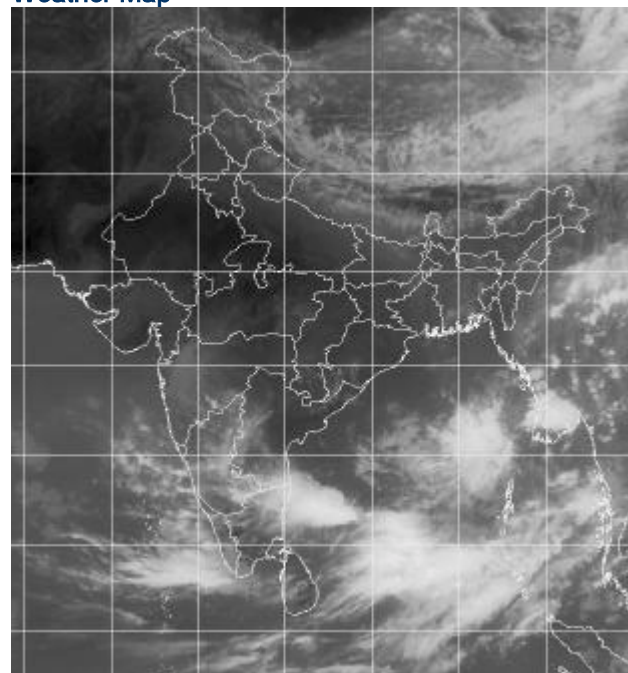
- Isolated Heavy rainfall is likely over coastal Tamil Nadu, south coastal Andhra Pradesh, Kerala, coastal & south interior Karnataka and Lakshadweep.

### Outlook for subsequent two days from 0830 hours IST of 5th November 2006 (Based on numerical weather products):

- Ongoing rainfall activity is likely to continue over south peninsula, adjoining Maharashtra and also over parts of east India.

Source: GOI (IMD)

## Weather Map



Source-IMD

## Forex

### Forex rate as on 04.11.06

Country/ Continent	Currency	Value In Rupees
USA	Dollar	44.84
European Union	Euro	57.28
Japan	100 Yen	38.29
United Kingdom	GBP	85.55

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