

OILMEAL

December 26 to 29, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments remained steady.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 108,700 MT were 6 percent under the previous week and 33 percent below the prior 4-week average. The major buyers were Mexico (32,200 MT), Canada (26,600 MT), Panama (18,100 MT), Saudi Arabia (10,000 MT), and Colombia (8,500 MT). Exports of 111,400 MT were 18 percent below the previous week and 12 percent under the

prior 4-week average. The primary destinations were France (30,700 MT), Canada (29,500 MT), Mexico (16,100 MT), and Guatemala (10,100 MT). Note: Accumulated exports for El Salvador were adjusted down by 2,000 MT. Source: USDA

Export of Oil meal (Extractions) from April 06 to November '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
November 2006	457,450	68,250	3,200	21,900	---	32,450	583,250
	266,675	21,725	2,200	12,867	----	18,225	321,692
Total	1,652,925	593,325	51,300	138,600	---	113,200	2,549,350
	1,148,825	394,100	77,200	53,950	----	148,350	1,822,425
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 [29.12.06]

Soy futures finished mixed at Chicago board of trades. January soybeans futures ended 7.75 cents up at \$6.835 per bushel. March soybean meal finished \$2.5 up at \$196.9 per short tonne and March soybean oil settled 0.01 down at 29.70 cents per pound. CBOT Soy futures settled mixed at Chicago Board of Trades on Friday amidst technical selling, lack of fund buyers despite USDA bullish export sale, which helped meals recovery. Weakness at overnight BMD and

good weather conditions in Argentina pushed market down. USDA weekly export sales for soybeans came at 1.037 million metric tonnes against trade expectations between 555,000-750,000 metric tonnes. Meals sales stood at 108,900 metric tonnes against trade expectations between 75,000-125,000 metric tonnes and soy oil remained at 61,000 metric tonnes against 25,000-45,000 metric tonnes.

CBOT Soy Meal Futures as from 26 to 29 December 2006.

Month	Open	High	Low	Close	Chg
Jan07	189.5[185.0]	192.0 [187.5]	187.7 [185.0]	191.9 [187.2]	+3.2 [+1.7]
Mar07	195.0 [189.3]	197.5 [191.7]	193.5 [188.5]	196.9 [190.9]	+2.5 [+1.5]

CBOT Remains Close on Saturday and Sunday

Note: - Values in parentheses (#) are for Monday

DOMESTIC MARKETS

Soy meal

Rates for soybean meal improved initially at domestic front [MP] due to firm edible oil sentiments and good offtake of beans except for slight weakness during midweek. Sentiments for soybean meal well followed soy futures at CBOT. By weekend, good offtake of beans by solvent extraction units as a measure to contain crushing margins seem to improve demand at export front, for the days to come. The Solvent Extractors' Association of India has just compiled the data for export of oilmeals for the month of November 2006 and reported at 583,250 tons compared to 321,692 tons in

November last year i.e. up by 81%. The total export of oil meals during April to November 2006 is reported at 2,549,350 tons compared to 1,822,425 tons of last year i.e. up by 40%. The Soybean meal export jumped from 1,148,825 tons to 1,652,925 tons. Export of oilmeals to China during April to November 2006 sharply increased to 342,725 tons from 210,725 tons during the same period of last year. China mainly imported soybean meal to the tune of 85,850 tons. Vietnam has become largest importers of Soybean meal and imported over 462,000 tons.

Soy Meal Price Drivers-

- Overseas suppliers offering meal at competitive prices.
- Slight decline in crushing margins at processors end.
- Good crushing margins at processors end.
- Good offtake of beans by solvent extraction units.
- Scare of bird flu outbreak through migratory birds.

Outlook-

Short term (one week)

✍ Sentiments likely to trade range bound.

DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		26.12.06	29.12.06
1.	Indore (MP)	9000-9100	9000-9100
2.	Datia (MP)	8600-8700	8800-8900
3.	Shivpuri (MP)	-	8600
4.	Kota	8800-8900	8850-8950

5.	Nanded/Latur	8250-8450	8900-9000
6.	Dhulia/Jalna	8600-8800	9000-9100
7.	Nagpur (41/45)	8400-8500	8600-8700
8.	Sangli	-	9550-9650
9.	Solapur	8700-8800	9400-9500
10.	Dharwar	9000-9200	

Soy Meal Vessel Report (29.12.06)

Current vessel positions in different ports

Mumbai port: -

Vessel **Zaid** is expected to arrive on 01.01.07, it would load 8000 MT of SBM. Shaan Marine Services would be handling the vessel.

Badulu Valley is expected to arrive on 27.12.06 to load 3500 MT of SBM. Sai freight agent is handling the vessel.

Vessel **Qui Lin Men** is expected at Mumbai port on 27.12.06. Chowgule brothers would handle the vessel. It would load 6200 MT of SBM.

Kandla port: -

Vessel M.V. **El Tango** is expected to arrive on 04.01.07. TSAS is the agent that would handle the vessel.

Vessel **M.V.Anyuan** is working at port to load 24,500 MT of SBM. Pearl SHG is handling the vessel. Expected time for sail is 30.12.06.

Vessel M.V.**Notto III** is waiting for berth and is handled by Taurus agents. It would load 10,000 MT of SBM.

M.V.**Leonis** was expected to arrive on 23.12.06. It would load 9000 MT of SBM from Kandla port. Taurus agent is handling the vessel.

Vessel **AN Yue Jiang** is waiting for berth to load 12,600 MT of SBM. Interocean agent is handling the vessel.

Vizag port: -

Vessel **Ambassador** would load 4900 MT of SBM from Vizag port. Inter-ocean shipping agent is handling the vessel.

Vessel **Vietfracht** would load 7000 MT of SBM. Lotus Marine Service is handling the vessel.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Commodity	Destination
Mumbai	Badulu Valley -VI	3500	Expected	SBM	
Mumbai	Zaid	8000	Expected	SBM	
Mumbai	Qui Lin Men	6200	Expected	SBM	
Kandla	EL Tango	-	Expected	SBM	
Kandla	M.V.Anyuan	24,500	Berthed	SBM	
Kandla	AN Yue Jiang	12,600	Waiting for berth	SBM	
Kandla	M.V.Notto III	10,000	Berthed	SBM	
Kandla	M.V.Leonis	9000	Waiting for berth	SBM	
Vizag	Ambassador	4900	Berthed	SBM	
Vizag	Vietfracht	7000	Berthed	SBM	

Rape/ Mustard meal

Rates for the DOC declined marginally at ports due to overall weakness in demand for rapeseed DOC. Industry sources state that, animal feed industry has opted for locally available rapeseed meal from mills instead of DOC at processors end. The DOC prices at Kandla varied from Rs. 4900 to Rs 5100 in [PP bags) and in Mundra it is offered at Rs.5000 to 5200. At Jamnagar it is offered at Rs 4950-5000. At Jaipur market the rate quoted stood at Rs.4200 to 4300 per ton The Solvent Extractors' Association of India has just compiled the data for export of oilmeals for the month of November 2006

and reported at 583,250 tons compared to 321,692 tons in November last year i.e. up by 81%. The total export of oil meals during April to November 2006 is reported at 2,549,350 tons compared to 1,822,425 tons of last year i.e. up by 40%. Rapeseed meal export increased from 394,100 tons to 593,325 tons. China mainly imported Rapeseed meal to a tune of 210,475 tons. South Korea a traditional importer of rapeseed meal bought nearly 236,000 tons.

Groundnut meal

Rates for groundnut meal remained steady amidst temporary hike in rates on account of limited availability and crushing of nuts in Gujarat. Groundnut meal at 40% and 45% were quoted at Rs 7100 to 7200 and Rs 7600 to 7800 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.

Monsoon Outlook and salient features observed during the week.

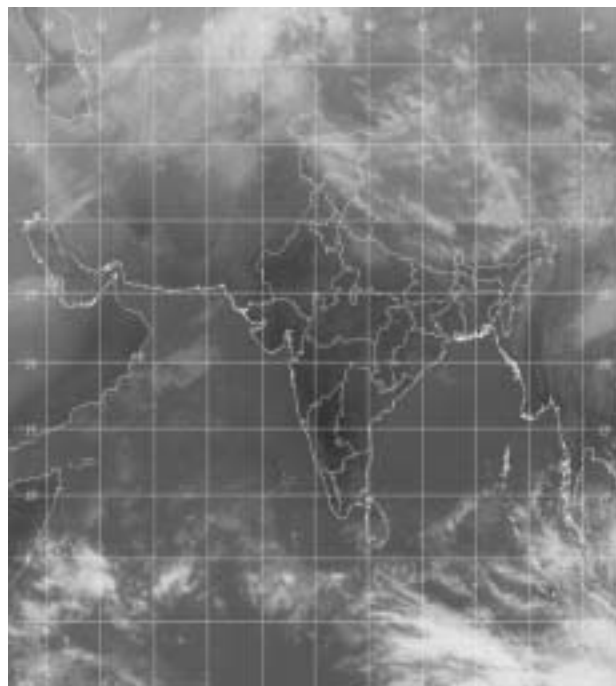
- Jammu & Kashmir has experienced light snowfall activity at a few places.
- Initial meteorological analysis suggests for western disturbance likely to move eastwards. Consequently, northwesterly winds to prevailed over the northwest India leading to fall in night temperature by 3-4°C from 28th onwards and also occurrence of fog at some places in the morning hours.
- A northern part of Jammu & Kashmir is likely to experience light snowfall activity from 31st December under the influence of an approaching western disturbance. The snowfall activity is likely increase in intensity and extends into remaining parts of western Himalayan region during 2nd & 3rd of January.

Outlook for subsequent two days from 0830 hours IST of 1st January 2007 (Based on numerical weather products):

- Scattered snowfall activity over western Himalayan region.
- Night temperatures are likely to rise over the plains of northwest India.

Source: GOI (IMD)

Weather Map [As on 29.12.06]



Source-IMD

Forex

Forex rate as on 26.12.06 and 29.12.06

Country/ Continent	Currency	Value in Rupees [26.12.06]	Value in Rupees [29.12. 06]
USA	Dollar	44.54	44.23
European Union	Euro	58.45	58.26
Japan	100 Yen	37.45	37.21
United Kingdom	GBP	87.25	86.91

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