

## OILMEAL

December 11 to 15, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Market sentiments remained steady to bearish.

### NEWS ANALYSIS

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

Net sales of 205,500 MT were 76 percent over the previous week and 16 percent above the prior 4-week average. Major increases were reported for Jamaica (55,000 MT), El Salvador (27,100 MT, including 7,200 switched from Guatemala), Turkey (17,500 MT), the Dominican Republic (15,200 MT), Guatemala (14,700 MT), and Canada (13,600 MT). Sales of 15,500 MT for delivery in 2007/08 were mainly for Jamaica (15,000 MT). Exports of 108,900 MT

were 19 percent below the previous week and 17 percent under the prior 4-week average. The primary destinations were Mexico (31,000 MT), Canada (27,500 MT), Guatemala (16,900 MT), and the Dominican Republic (11,600 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
<b>April 2006</b>	<b>316,925</b>	<b>53,425</b>	<b>12,400</b>	<b>5,650</b>	---	<b>10,825</b>	<b>399,225</b>
	99,250	90,900	12,950	---	----	17,800	220,900
<b>May 2006</b>	<b>140,075</b>	<b>77,400</b>	<b>18,525</b>	<b>4,750</b>	---	<b>15,575</b>	<b>256,325</b>
	156,100	69,650	3,025	6,875	----	50,200	285,850
<b>June 2006</b>	<b>108,975</b>	<b>79,900</b>	<b>12,175</b>	<b>11,000</b>	---	<b>7,600</b>	<b>219,650</b>
	115,750	53,975	8,900	12,675	----	20,225	211,525
<b>July 2006</b>	<b>119,450</b>	<b>49,500</b>	---	<b>11,000</b>	---	---	<b>179,950</b>
	135,550	45,750	17,700	16,500	----	11,525	227,025
<b>August 2006</b>	<b>111,075</b>	<b>98,075</b>	---	<b>29,500</b>	---	<b>15,350</b>	<b>254,000</b>
	112,575	43,825	15,100	5,033	----	11,325	187,858
<b>September 2006</b>	<b>179,475</b>	<b>92,775</b>	<b>5,000</b>	<b>32,850</b>	---	<b>14,225</b>	<b>324,325</b>
	102,675	31,025	8,500	---	----	15,950	158,150
<b>October 2006</b>	<b>219,500</b>	<b>74,000</b>	---	<b>21,950</b>	---	<b>17,175</b>	<b>332,625</b>
	160,250	37,250	8,825	---	----	3,100	209,425
<b>November 2006</b>	<b>457,450</b>	<b>68,250</b>	<b>3,200</b>	<b>21,900</b>	---	<b>32,450</b>	<b>583,250</b>
	266,675	21,725	2,200	12,867	----	18,225	321,692
<b>Total</b>	<b>1,652,925</b>	<b>593,325</b>	<b>51,300</b>	<b>138,600</b>	---	<b>113,200</b>	<b>2,549,350</b>
	1,148,825	394,100	77,200	53,950	----	148,350	1,822,425
<b>2005-0006(F.Y.)</b>	<b>3,424,600</b>	<b>533,275</b>	<b>137,925</b>	<b>125,325</b>	<b>750</b>	<b>201,150</b>	<b>4,423,025</b>
<b>2004-2005(F.Y.)</b>	<b>1,861,325</b>	<b>588,805</b>	<b>121,475</b>	<b>43,056</b>	<b>4,790</b>	<b>70,750</b>	<b>2,690,201</b>
<b>2003-2004(F.Y.)</b>	<b>2,683,675</b>	<b>447,050</b>	<b>126,750</b>	---	---	<b>65,550</b>	<b>3,323,025</b>
<b>2002-2003(F.Y.)</b>	<b>1,333,318</b>	<b>455,533</b>	<b>15,225</b>	---	---	<b>92,445</b>	<b>1,896,521</b>
<b>2001-2002(F.Y.)</b>	<b>2,509,207</b>	<b>313,012</b>	<b>101,001</b>	---	---	<b>97,557</b>	<b>3,020,777</b>

## FUNDAMENTAL ANALYSIS

### INTERNATIONAL MARKETS

Soy futures settled weak at Chicago Board of Trade. January soybeans futures ended 5.25 cents down at \$6.5725 per bushel. March soymeal finished \$2.3 down at \$190.7 per short tonne and March soybean oil settled 0.2 weak at 28.59 cents per pound. Soy futures ended weak on Chicago Board of Trades on Friday on low excitement over

long-terms supply, good weather condition in South America for next year crop season, anticipation for rainfall in coming weeks in Brazil and weak technical. Weak demand from gulf and lower freight rates pressured the soy futures market.

#### CBOT Soy Meal Futures as from 11 to 15 December 2006.

Month	Open	High	Low	Close	Chg
Dec 06	188.7	189.3	185.9	186.7	-2.5
Jan 07	192.8 [190.0]	193.4 [190.3]	190.2 [187.0]	190.7 [188.1]	-2.3 [-2.4]

CBOT Remains Close on Saturday and Sunday

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

### DOMESTIC MARKETS

#### Soy meal

Despite good export sales report for November 2006, soymeal traded with bearish sentiments due to weak physical demand and weak soymeal futures in overseas market. Steady to weak spot market sentiments for soybean across the major spot markets was well reflected in routine trading for soymeal. The sustained congestion at Kandla port has delayed export of consignments by almost a month. 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.
- Acute congestion at ports likely to ease soon.
- Weak physical demand
- Lesser crushing margins at processors end.
- Weakness in overseas soy meal futures for almost whole week.

### Outlook-

#### Short term (one week)

☞ Sentiments likely to trade range bound.

#### DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		11.12.06	15.12.06
1.	Indore (MP)	8900-9000	8800
2.	Datia (MP)	8500-8600	8500-8600
3.	Shivpuri (MP)	8400-8500	-

4.	Kota	8700-8800	8500-8600
5.	Nanded/Latur	8300-8400	8400-8500
6.	Dhulia/Jalna	8900-9000	8700-8900
7.	Nagpur (41/45)	8000-8300	8300-8350
8.	Sangli	9500-9600	-
9.	Solapur	8700-8900	8800-8900
10.	Dharwar	9700-9800	9100-9250

### Soy Meal Vessel Report (15.12.06)

#### Current vessel positions in different ports

##### Mumbai port: -

**Precious** vessel is berthed at Mumbai port. The vessel would be handled by Sai freight Pvt. Ltd.

**Badulu Valley-VI** was expected to arrive on 12.12.06 and would load 3500 MT of SBM from Mumbai port; Sai Freight Pvt Ltd is handling the vessel.

**Thor Mariner VI** was expected to arrive on 10.12.06 at Mumbai port. It would load 13,200 MT of SBM. Halar Maritime services would handle the vessel.

Vessel **Blue star-VI** is handled by Shaan Marine Services; it would load 6000 MT of SBM from Mumbai port.

##### Kandla port: -

**Vessel M.V.IBI** has arrived at Kandla port and waiting for berth. Sea World agent is handling the vessel. It would load 12,500 MT of SBM.

**Vessel M.V.Iran** Kohladooz would be loading 15000 MT of SBM from Kandla port. Taurus agent is handling the vessel.

**Vessel M.V.Anyuan 9** is expected to berth on 12.12.06 at Kandla port. It would load 24500 MT of SBM. Pearl SHG is the agent that would handle this vessel.

**Vessel M.V.Notto III**, handled by Taurus agents is expected on 16.12.06 at Kandla port. It would load 10,000 MT of SBM.

**Vessel M.V. An Yue Jiang** handled by Inter Ocean agents is expected on 17.12.06 at Kandla port. It would load 12,600 MT of SBM.

##### Vizag port: -

**Dan Yang** is expected to arrive at Vizag port on 09.12.06. It would load 12,200 MT of SBM. Duraflex services would handle the vessel.

B.S.S agents is be handling the vessel **M.V Tan Binh-15**.

PVRM Sons would be handling the vessel **Antigoni** that has arrived. Both the agents are handling the above vessels at Vizag port.

**Vessel Chong Gen** would load 7000 MT of SBM from Vizag port, Bothra Shipping agents is handling the vessel.

#### Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Commodity	Destination
Mumbai	Blue Star-VI	6000	Arrived	SBM	-
Mumbai	Precious	-	Berthed	SBM	-
Mumbai	Badulu Valley -VI	3500	Expected	SBM	-
Mumbai	Thor Mariner	13,200	Expected	SBM	-
Kandla	M.V.IBI	12,500	Expected	SBM	-
Kandla	M.V.Iran Kohladooz	15,000	Berthed	SBM	
Kandla	M.V.Anyuan 9	24,500	Berthed	SBM	
Kandla	M.V.Notto III	10,000	Expected	"	
Kandla	M.V. An Yue Jiang	12,600	Expected	"	
Vizag	Dan Yang	12,200	Expected	SBM	

### Rape/ Mustard meal

Rapeseed meal sentiments remained steady amidst overall weakness in oilmeal sentiments in domestic market. The rapeseed meal is an important constituent as additive in feeds for livestock industry. The DOC prices at Kandla varied from Rs. 5000 to Rs 5200 in [PP bags) and in Mundra it is offered at Rs.5000 to 5150. At Jamnagar it is offered at Rs 4950-5000. At Jaipur market the rate quoted stood at Rs. 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 the meal were reported range bound due to sluggish arrivals and price competitiveness off other easily available meals in domestic market. Groundnut meal at 40% and 45% were quoted at Rs 7500 to 7600 and Rs 8000-8100 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 as on 15.12.06 and salient features observed during the week.

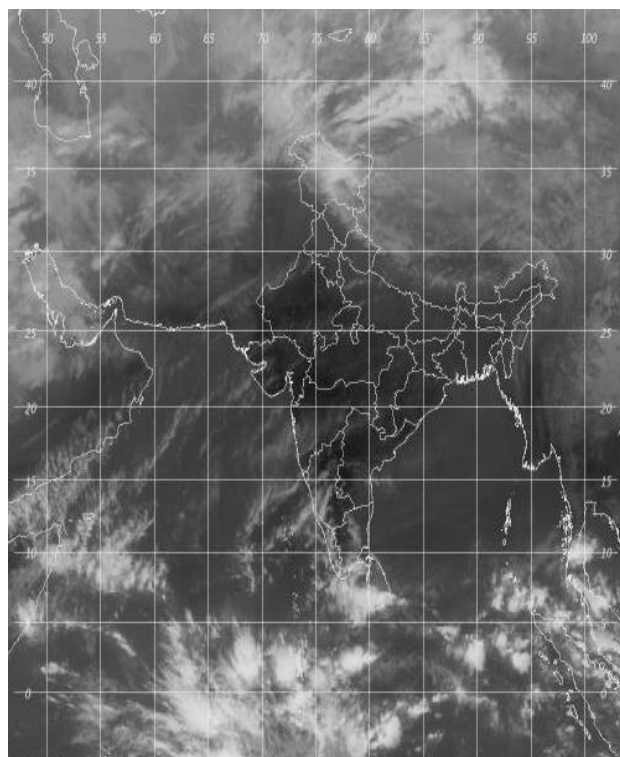
- No significant change was occurred in night temperature during past 24 hours over plains of northwest India, East India and Gangetic plains. The present scenario is likely to continue during next 1-2 days over same area.
- Lowest night temperature in the plains of the country was 3.4°C recorded at Adampur in Punjab.
- As predicted, light to moderate snowfall occurred at a few places over the western Himalayan region during start of week.
- Ground frost was reported over Punjab, Haryana and north Rajasthan with steep decline in night temperatures over north to north west India..

### Outlook for subsequent two days from 0830 hours IST of 19th December 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 11.12.06 and 15.12.06**

Country/ Continent	Currency	Value in Rupees [11.12.06]	Value in Rupees [15.12. 06]
USA	Dollar	44.76	44.66
European Union	Euro	58.95	58.70
Japan	100 Yen	38.36	37.88
United Kingdom	GBP	87.32	87.56

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