

OILMEAL

December 11, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal reflected steady sentiments.
- Mustard meal reflects steady to weak sentiments.

DOMESTIC MARKET

Soy meal

Soymeal prices traded amidst steady tone due to weakness in soy futures at International market. Since soy meal offered by overseas suppliers are competitively priced, they are finding an edge over Indian soy meal and hence leading to bearish cues. As per market observers, rates for soy meal are likely to trade range bound amidst unless new contracts are generated over period of time. The congestion at different ports is easing down and would catch its normal pace soon to load SBM. 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.

DOC of Soybean rates at different centers

| Places | Ex-factory rates (Rs/ton) | | |
|----------------|---------------------------|-----------|--|
| | 09.12.06 | 08.12.06 | Parity To |
| Indore (MP) | 8900-9000 | 8900-9000 | Guj, MP |
| Datia (MP) | 8500-8600 | 8500-8600 | UP, Bihar, WB, Nepal |
| Shivpuri (MP) | 8500-8600 | 8500-8600 | UP, Bihar, WB, Nepal |
| Kota | 8700-8800 | 8600-8700 | Rajasthan, Del, Punjab, Haryana |
| Nanded/Latur | 8300-8400 | 8300-8400 | Andhra, AP, Kar, TN |
| Dhulia/Jalna | 8800-8900 | 8800-8900 | Mumbai Maharashtra |
| Nagpur (41/45) | 8000-8300 | 8000-8250 | CG, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Sangli | 9500-9600 | 9500-9600 | Local and South |
| Solapur | 8700-8900 | 8700-8900 | Local and South |
| Dharwar | 9700-9800 | 9700-9800 | Karnataka, Tamil Nadu |

DOC Port rate at different centers (rates valid till 15th of Dec)

| Centers | FOR Price (Buy price) | |
|---------------|-----------------------|----------|
| | 09.12.06 | 08.12.06 |
| Kandla | 9400 | 9450 |
| Jamnagar | 9400 | 9350 |
| Vishakapatnam | - | - |
| Atari | - | - |
| Mumbai | 9450 | 9450 |

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 is 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 is 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.

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

Current Vessel Position

| Ports | Vessels | Vol. (MT) | Status | Desti-Nation |
|--------|-------------------|-----------|----------|--------------|
| Mumbai | Blue Star-VI | 6000 | Arrived | - |
| Mumbai | Precious | - | Berthed | - |
| Mumbai | Badulu Valley -VI | 3500 | Expected | - |

| | | | | |
|--------|--------------|--------|----------|---|
| Mumbai | Thor Mariner | 13,200 | Expected | - |
| Kandla | M.V.IBI | 12,500 | Expected | |
| Vizag | Dan Yang | 12,200 | Expected | |

Rape/ Mustard Meal

Rates at major spot markets remained steady amidst normal to weak demand from domestic animal feed industry amidst prevailing weakness observed for oilmeal sentiments in domestic market. The rapeseed meal is an important constituent as additive in feeds for livestock industry. The DOC prices at Kandla were quoted at Rs. 5050 in [PP bags] and in Mundra it is offered at Rs. 5150. At Jamnagar it is offered at Rs 4900-5000. At Jaipur market the rate quoted stood at Rs. 4400 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.

Sunflower Meal Rates at Different Centres [Not Available - NA]

CBOT Soy Meal Futures as on December 08.

| Month | Open | High | Low | Close | Chg |
|--------|-------|-------|-------|-------|------|
| Dec 06 | 187.0 | 187.0 | 184.1 | 185.4 | -1.6 |
| Jan 07 | 190.0 | 190.3 | 187.0 | 188.1 | -2.4 |

Monsoon Outlook (09.12.06)

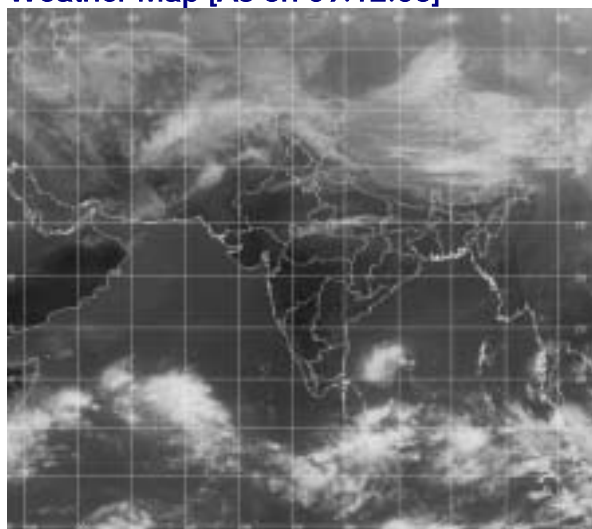
- Morning's low-pressure area over southwest Bay of Bengal has weakened into trough of low-pressure area and lies over the same place. Under its influence scattered to fairly widespread rainfall is likely over south Peninsula during next 3 days.
- Night temperatures have fallen by 2-3°C over northwest India during past 24 hours. However, with the approach of a western disturbance the night temperature are likely to increase by 2-3° C during next 48 hours. Scattered rain/snowfall activity is likely over western Himalayan region during the same period.
- Cold wave conditions are prevailing over some parts of Rajasthan. However, with the approach of western Disturbance the cold wave conditions are likely to abate during next 1-2 days. Cold wave conditions are likely to develop again over the plains of northwest India from 12th.
- Lowest night temperature in the plains of the country was 2.8°C recorded at Churu in Rajasthan.

| Places | Ex-factory rates (Rs/ton) | |
|--------------------|---------------------------|-----------|
| | 09.12.06 | 08.12.06 |
| Rudrapur | NR | NR |
| Parli/Latur/Nanded | 5600-6200 | 6100-6300 |
| Dharwar | 5900-6000 | 6000-6100 |
| Jalna | 5600-5700 | 6000-6100 |
| Solapur | 6100 | 6100 |

Groundnut DOC

Sluggishness in arrivals was reported to have hampered market sentiments to large extent. Market sentiments remained steady on account of normal to average demand for groundnut oil and meal. Demand from animal feed industry has already picked up and the sentiments for groundnut meal would catch pace soon. Groundnut meal at 40% and 45% were quoted at Rs 7600 and Rs 8100 per MT respectively in Rajkot. 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%. Export 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 groundnut meal to a tune of 46,400 tons.

Weather Map [As on 09.12.06]



Source-IMD

Outlook for subsequent two days from 1430 hours IST of 12th December 2006. (Based on numerical weather products):

- Decrease in rainfall activity over south peninsula.
- Fall in day and night temperatures over northwest, central and east India.

Source: GOI (IMD)

FOREX RATE AS ON 09.12.06

| Country/ Continent | Currency | Value in Rupees |
|-----------------------|----------|-----------------|
| USA | Dollar | 44.69 |
| European Union | Euro | 59.37 |
| Japan | 100 Yen | 38.77 |
| United Kingdom | GBP | 87.68 |

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