

OILMEAL

December 18 to 22, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments Improved by weekend.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Soybean meal: Net sales of 117,400 MT were 43 percent under the previous week and 40 percent below the prior 4-week average. Major increases for the Philippines (33,500 MT, including 25,000 MT switched from unknown destinations), Canada (21,000 MT), Israel (14,500 MT), the Dominican Republic (14,500 MT), and Mexico (12,200 MT),

were partially offset by decreases for unknown destinations (25,000 MT). Exports of 137,300 MT were 26 percent above the previous week and 11 percent over the prior 4-week average. The primary destinations were Canada (32,300 MT), Mexico (29,900 MT), the Philippines (28,200 MT), and El Salvador (9,800 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

Soy futures finished high at Chicago board of trades. January soybeans futures ended 9.25 cents up at \$6.595 per bushel. March soymeal finished \$1.5 up at \$190.9 per short tonne and March soybean oil settled 0.26 up at 28.84 cents per pound. The last week losses somehow recovered in current week and soy futures ended firm on Chicago

Board of Trades on Friday. Gains in corn prices and technical buying raised soy futures but gains limited by forecast of good rain in southern Brazil in next week. Anticipation for fund buying in early 2007 had underlying bullishness in the market.

CBOT Soy Meal Futures as from 18 to 22 December 2006.

Month	Open	High	Low	Close	Chg
Jan 07	185.0 [185.2]	187.5 [185.2]	185.0 [183.0]	187.2 [184.9]	+1.7 [-1.8]
Mar 07	189.3 [189.2]	191.7 [189.2]	188.5 [187.1]	190.9 [189.0]	+1.5 [-1.7]

CBOT Remains Close on Saturday and Sunday

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

DOMESTIC MARKETS

Soy meal

Soymeal rates scaled up by week-end due to firm soy meal futures at CBOT and good demand for soybeans across spot markets. Satisfactory export sales report for soymeal came in as per traders expectations and helped soymeal gain firm ground to trade across the boundaries. However, demand for soymeal remained steady in domestic markets. 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.
- Normal to good demand for soymeal in domestic market
- Good crushing margins at processors end.
- Firm soy futures at CBOT.
- Recent outbreak of bird flu in Vietnam followed up in South Korea again.

Outlook-

Short term (one week)

☞ Sentiments likely to trade range bound.

DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		18.12.06	23.12.06
1.	Indore (MP)	8800-8900	9000-9100
2.	Datia (MP)	8500	8600-8650
3.	Shivpuri (MP)		-
4.	Kota	8400-8500	8700-8800

5.	Nanded/Latur	8400	8300-8500
6.	Dhulia/Jalna	8600-8700	8600-8800
7.	Nagpur (41/45)	8300-8350	8200-8350
8.	Sangli	-	-
9.	Solapur	8750-8800	8600-8700
10.	Dharwar	9000-9100	9000-9300

Soy Meal Vessel Report (23.12.06)

Current vessel positions in different ports

Mumbai port: -

Thor Mariner VI has arrived at Mumbai port. It would load 13,200 MT of SBM. Halar Maritime services would handle the vessel. It would sail on 22.12.06.

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

Vessel Qui Lin Men is expected at Mumbai port on 26.12.06. Chowgule brothers would handle the vessel. It would load 6200 MT of SBM.

Kandla port: -

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

Vessel M.V.Iran Kohladooz has loaded 15000 MT of SBM from Kandla port. It sailed off on 18.12.06. Taurus agent is handling the vessel.

Vessel M.V.Notto III, handled by Taurus agents has berthed at Kandla port. It would load 10,000 MT of SBM.

Vessel M.V. An Yue Jiang handled by Inter Ocean agents was expected on 19.12.06 at Kandla port. It would load 12,600 MT of SBM. Current status not reported.

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.

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	Blue Star-VI	6000	Arrived	SBM	-
Mumbai	Qui Lin Men	6200	Berthed	SBM	-
Mumbai	Thor Mariner	13,200	Berthed	SBM	-
Kandla	M.V.IBI	12,500	Expected	SBM	-
Kandla	M.V.Iran Kohladooz	15,000	Sailed	SBM	-
Kandla	M.V.Notto III	10,000	Berthed	SBM	
Kandla	M.V. An Yue Jiang	12,600	Expected	SBM	
Vizag	Ambassador	4900	Berthed	SBM	
Vizag	Vietfracht	7000	Berthed	SBM	

Rape/ Mustard meal

Rates for rapeseed meal remained range bound except for slight improvement noticed at week end due to general

improvement in oilmeal sentiments. 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 5100 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

Slight improvement in demand for DOC from dairy farms and animal feed industry besides firm spot market sentiments for groundnut supported the price trend. Rates for this week couldn't surpass previous week prices due to initial weakness in oilmeal sentiments across the markets. 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.

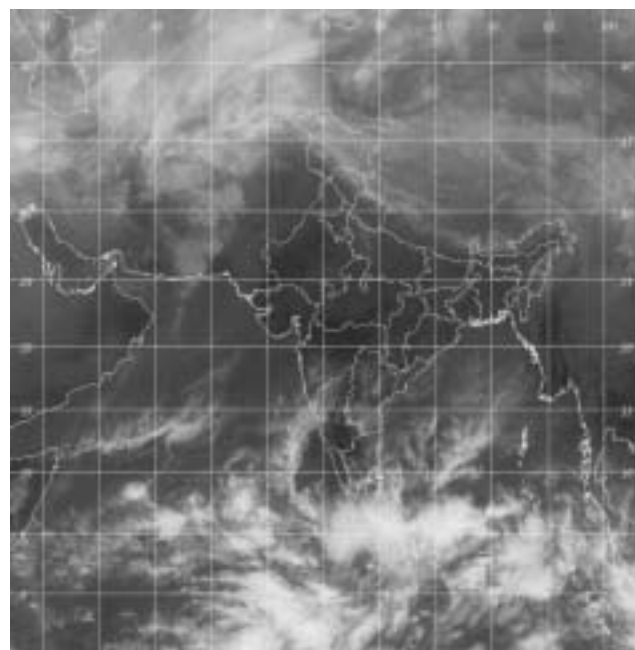
- No significant change was occurred in night temperatures during weekends over plains of northwest India, east India and Gangetic plains. The present scenario is likely to continue for next 24 hours and rise in night temperatures over the same areas thereafter.
- Lowest night temperature in the plains of the country was 3.4°C to 4°C recorded at Adampur in Punjab.
- A western disturbance likely to affect western Himalayan region from 25th onwards.
- 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 26th December 2006 (Based on numerical weather products):

- Decrease in precipitation activity over northwest India from 27th onwards.
- Fall in night temperature over plains of northwest India, east India and Gangetic plains.

Source: GOI (IMD)

Weather Map [As on 23.12.06]



Source-IMD

Forex

Forex rate as on 18.12.06 and 22.12.06

Country/ Continent	Currency	Value in Rupees [18.12.06]	Value in Rupees [23.12. 06]
USA	Dollar	44.79	44.37
European Union	Euro	58.70	58.25
Japan	100 Yen	37.98	37.33
United Kingdom	GBP	87.66f	86.88

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