

OILMEAL

December 12, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC MARKET

Soy meal

No major changes were observed for soymeal rates across the domestic markets. As per traders the domestic demand is average to normal but is steady at export front. As per market observers, rates for soymeal 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) | | |
|----------------|---------------------------|-----------|--|
| | 11.12.06 | 09.12.06 | Parity To |
| Indore (MP) | 8900-9000 | 8900-9000 | Guj, MP |
| Datia (MP) | 8500-8600 | 8500-8600 | UP, Bihar, WB, Nepal |
| Shivpuri (MP) | 8400-8500 | 8500-8600 | UP, Bihar, WB, Nepal |
| Kota | 8700-8800 | 8700-8800 | Rajasthan, Del, Punjab, Haryana |
| Nanded/Latur | 8300-8400 | 8300-8400 | Andhra, AP, Kar, TN |
| Dhulia/Jalna | 8900-9000 | 8800-8900 | Mumbai Maharashtra |
| Nagpur (41/45) | 8000-8300 | 8000-8300 | 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) | |
|---------------|-----------------------|----------|
| | 11.12.06 | 09.12.06 |
| Kandla | 9450 | 9400 |
| Jamnagar | 9350 | 9400 |
| Vishakapatnam | - | - |
| Atari | - | - |
| Mumbai | 9350 | 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

Sentiments rule steady for rapeseed 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 in a range of Rs. 5150 to Rs 5200. 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]

| Places | Ex-factory rates (Rs/ton) |
|--------|---------------------------|
|--------|---------------------------|

| | 11.12.06 | 09.12.06 |
|--------------------|-----------|-----------|
| Rudrapur | - | NR |
| Parli/Latur/Nanded | 5500 | 5600-6200 |
| Dharwar | - | 5900-6000 |
| Jalna | 5600 | 5600-5700 |
| Solapur | 5500-5600 | 6100 |

Groundnut DOC

No major change in prices and demand was noticed for groundnut meal. 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. The news of Bird Flu is unlikely to affect sentiments for this meal for the days to come. Groundnut meal at 40% and 45% were quoted at Rs 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.

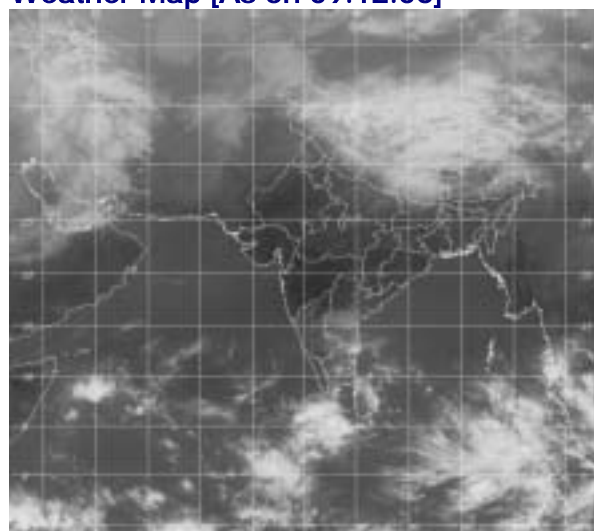
CBOT Soy Meal Futures as on December 08.

| Month | Open | High | Low | Close | Chg |
|-------|-------|-------|-------|-------|------|
| Dec06 | 187.0 | 187.0 | 184.1 | 185.4 | -1.6 |
| Jan07 | 190.0 | 190.3 | 187.0 | 188.1 | -2.4 |

Monsoon Outlook (11.12.06)

- As predicted, light to moderate snowfall occurred at a few places over the western Himalayan region during past 24 hours. With the likely eastward movement of the current western disturbance, snowfall activity is likely to cease from tomorrow onwards.
- The current meteorological analysis suggests that northerly/northwesterly winds are likely to set in over plains of northwest India and Gangetic plains from tomorrow onwards. Consequently night temperatures are likely to fall by 3-5 °C over the above regions during 12th to 14th. The prevailing cold wave conditions over southwest Rajasthan are likely to extend into Punjab, Haryana and more parts of Rajasthan during above period.
- Ground frost is also likely over some parts of Punjab, Haryana and north Rajasthan where night temperatures are likely to become 4°C or less during next 3 days.
- Lowest night temperature in the plains of the country was 4.4°C recorded at Ludhiana in Punjab.

Weather Map [As on 09.12.06]



Source-IMD

FOREX RATE AS ON 11.12.06

Warning for Low Temperature:

- Ground frost is likely over some parts of Punjab, Haryana and north Rajasthan during next 3 days where night temperature are likely to become 4°C or less.

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

- A feeble western disturbance is likely to affect western Himalayan region
- Increase in night temperature by 2-3°C over plains of northwest India.

| Country/ Continent | Currency | Value in Rupees |
|-----------------------|----------|-----------------|
| USA | Dollar | 44.76 |
| European Union | Euro | 58.95 |
| Japan | 100 Yen | 38.36 |
| United Kingdom | GBP | 87.32 |

Source: GOI (IMD)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.