

OILMEAL

November- 27 to 01 December, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Market sentiments remained steady to bearish.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 214,100 MT were 13 percent below the previous week, but 22 percent over the prior 4-week average. Major increases were reported for Mexico (88,700 MT), unknown destinations (24,000 MT), Guatemala (20,100 MT), the Dominican Republic (18,800 MT), and Canada (17,400 MT). Exports of 129,900 MT

were 5 percent above the previous week and the prior 4-week average. The primary destinations were Canada (29,900 MT), Mexico (29,200 MT), the Dominican Republic (16,900 MT), and Colombia (15,400 MT).

Source: USDA

Export of Oil meal (Extractions) from April 06 to October '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
Total	1,195,475	525,075	48,100	116,700	---	80,750	1,966,100
	882,150	372,375	75,000	41,083	----	130,125	1,500,733
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 mixed at Chicago Board of Trades. January Soybeans settled down 8.5 cents at \$6.77/bushel, 10.5 cents off the high and 1.5 cents up from the low. March Soybeans settled down 8.25 cents at \$6.92/bushel. This was 2.75 cents up from the low and 9 cents off the high. March Soybean meal settled down \$5.1 at \$194.3/ton. This was \$ 0.3 up from the low and \$ 5.0 off the high. March Soybean Oil finished up 0.08 cents at 30.15 cents/pound, 0.01 cents off the high and 0.35 cents up from the low. . A

combination of factors accounted for soybean futures to close down and thus expected that start of week could see technical selling. Weakness in grains, news of good crop of soybean in Brazil, weak trade in China amidst sell off for Malaysian palm oil triggered beans to follow the suit. Decline in meal deliveries and weak USD due to lower crude oil prices couldn't provide much needed support to prevent any downfall.

CBOT Soy Meal Futures as on December 1.

Month	Open	High	Low	Close	Chg
Dec06	192.9	193.2	188.2	188.4	-5.0
Jan 07	195.4	196.0	190.0	190.4	-5.6

CBOT Remains Close on Saturday and Sunday

DOMESTIC MARKETS

Soy meal

Soybean meal showed steady to weak sentiments on account of normal to weak physical demand. Outbreak of Bird Flu in South Korea resulted in bearish cues observed in domestic as well as world market. Since South Korea happens to be one of the largest importers of soymeal, the very news came altogether as a set back for prevailing sentiments. However consistent demand from feed industry would keep the tempo up in near future. Good trend for exports until last month would keep the tempo up for soymeal exports for the days to come. As per press release of SOPA a significant growth of

45.98% was noted for soybean meal exported last month, about 2.9 lakh MT of soybean meal was exported during October 2006 as compared to 1.98 lakh MT exported during the same period last year. The total exports of Soybean meal for April to October this year was 17.24 lakh MT as against 9.44 lakh MT during the same period last year thus registering a growth of 82.57% over the last year. China was the main importer of groundnut meal for this year; the imports were to a tune of 43,200 tonnes till October 2006.

Soy Meal Price Drivers-

- Steady domestic and overseas demand due to outbreak of Bird flu reported from South Korea.
- Overseas suppliers offering meal at competitive prices.
- Acute congestion at ports likely to ease soon.
- Nations on red alert on news of Avian Flu.

Outlook-

Short term (one week)

☞ Sentiments likely to tarde range bound.

DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	27.11.06	01.12.06
Indore (MP)	9250-9300	9100-9200
Datia (MP)	9200-9250	8850-8900
Shivpuri (MP)	9000	8800
Kota	8900-9000	8800-8900
Nanded/Latur	9200-9300	9000-9200

Dhulia/Jalna	9400-9500	9400
Nagpur (41/45)	8800-9000	8700-8800
Sangli	10,000-10,100	10,000
Solapur	9600-9800	9500-9700

Soy Meal Vessel Report (02.12.06)

Current vessel positions in different ports

Induruwa Valley-VI vessel is expected to arrive soon; the vessel would be handled by Sai freight Pvt. Ltd. It would load 2500 MT of SBM from Mumbai port.

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

Qui Lin Men VI would load 6000 MT of SBM from Mumbai port; it is expected to arrive on 04.12.06. Chowgule brothers would be handling the vessel.

Bright KC has berthed at port and is ready for sailing. Rizvi shipping is handled the vessel Raj Milan.

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

'M.V. Iran Broojer DI' is expected vessels to be berthed at Kandla Port; it would be loading 13,000 tonnes of SBM. Taurus agents will be handling the vessel.

Vessel M.V Manisam has sailed from Kandla port. Taurus agent handled the vessel. It loaded 15,000 tonnes of SBM.

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	Commodity	Destination
Mumbai	Induruwa Valley - VI	2500	Expected	SBM	-
Mumbai	Bright KC	7500	Ready	SBM	-
Mumbai	Raj Milan	-	Sailed	SBM	-
Mumbai	Blue Star-VI	6000	Arrived	SBM	-
Mumbai	Badulu Valley -VI	3500	Expected	SBM	-
Kandla	M.V. Iran Broojer DI	13,000	Berthed	SBM	
Kandla	M.V. Manisamugt Naree	15,000	Sailed	SBM	
Vizag	M.V TAN BINH - 15	6500	Arrived	SBM	
Vizag	m.v UN BONG	7000	Expected	SBM	

Rape/ Mustard meal

Spot market sentiments remained slightly bearish due to average demand from domestic feed industry amidst weak oilmeal in domestic and overseas market. With soaring prices of rapeseed meal in International market, Indian counterparts are optimist that demand for meal may increase during first fortnight of next month. However incidence of Avian Flu and disease outbreak would adversely affect the export consignments. The rapeseed meal is an important constituent as additive in feeds for livestock industry. The DOC prices at Kandla were quoted at Rs. 5100-5200 in [PP

bags) and in Mundra it is offered at Rs. 5150-5200. At Jamnagar it is offered at Rs.5100 - 5200. At Jaipur market the rate quoted stood at Rs.4500- 4600 per ton. As per SOPA, rapeseed meal export increased from 372,375 tons to 525,075 tons, thanks to availability of rapeseed during off-season from NAFED, which not only boosted the crushing and oil availability but also increased availability of rapeseed extractions, lead to boost the export of rapeseed meal. South Korea a traditional importer of rapeseed meal bought nearly 198,000 tons of rapeseed meal.

Groundnut meal

Market sentiments remained steady on account of average demand for groundnut and meal in domestic market. Demand from animal feed industry has already picked up and the sentiments for meal would catch pace as crushing is reported to be continuous. The news of Bird Flu is unlikely to affect the meals sentiments 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.

Monsoon Outlook (02.12.06)

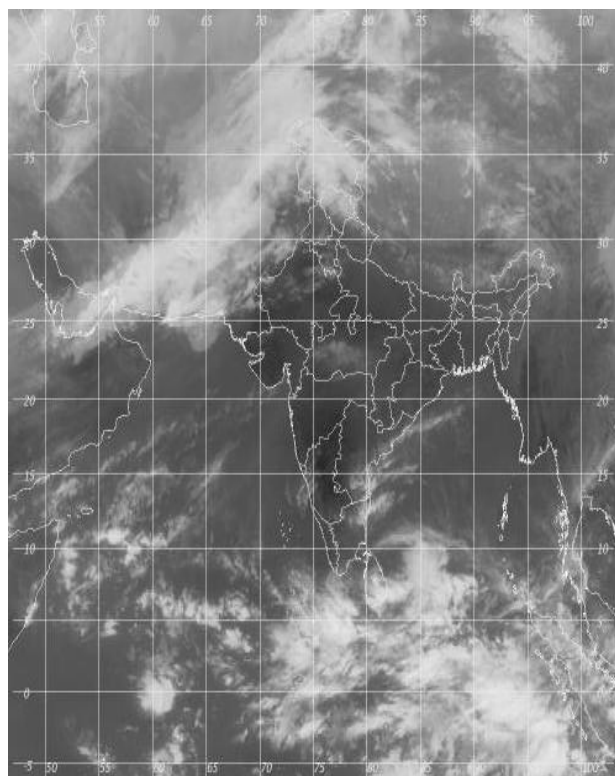
- Numerical weather models suggest that northwest India is likely to be affected by a western disturbance during the period 3rd to 6th December, under its influence enhanced snowfall activity with isolated heavy falls is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal commencing from 3rd. Plains of northwest India are also likely to experience scattered rain/thundershower activity from 4th onwards.
- Day temperatures are likely to fall whereas night temperatures are likely to increase over northwest India during the above period
- Lowest night temperature in the plains of the country was 4.0°C recorded at Adampur in Punjab.

Outlook for subsequent two days from 0830 hours IST of 5th December 2006 (Based on numerical weather products):

- Fairly widespread snowfall activity with isolated heavy falls is likely over Western Himalayan region. Scattered rain/thundershowers also likely over the plains of northwest India

Source: GOI (IMD)

Weather Map



Source-IMD

Forex

Forex rate as on 27.11.06 and 01.12.06

Country/ Continent	Currency	Value in Rupees [27.11.06]	Value in Rupees [01.12. 06]
USA	Dollar	44.64	44.67
European Union	Euro	58.62	58.26
Japan	100 Yen	38.50	38.55
United Kingdom	GBP	86.51	88.18

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