

## OILMEAL

December 04 to 08, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Market sentiments remained steady to bearish.

### NEWS ANALYSIS

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

Net sales of 116,500 MT were 46 percent below the previous week and the prior 4-week average. Major increases for Mexico (69,600 MT), Japan (27,600 MT), the Philippines (17,900 MT), the Dominican Republic (17,800 MT), and Canada (14,000 MT) were partially offset by decreases for unknown destinations (25,700 MT), Honduras (6,300 MT), and Jamaica (6,000 MT). Sales of

50,000 MT for delivery in 2007/08 were for Canada. Exports of 134,600 MT were 4 percent above the previous week and 6 percent over the prior 4-week average. The primary destinations were the Philippines (31,100 MT), Japan (29,400 MT), Canada (25,700 MT), and Mexico (21,300 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 down at Chicago Board of Trade. January soybeans futures finished 6 cents down at \$6.56 per bushel. March soymeal settled weak \$1.7 at \$191.2 per short tonne and March soybean oil ended 0.13 down at 29.08 cents per pound. Soy futures ended weak on Chicago Board of Trades on Saturday on poor support from corn and expectation of comfortable availability in the near

term pushed market slightly down. Unsupported weather condition in Brazil helped in recovering. USDA Export sales update to be released on Monday and trade estimations are unlikely to impact in any big way. Higher demand from China and Europe for US soy oil might lead to adjustment in soy oil.

#### 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

CBOT Remains Close on Saturday and Sunday

### DOMESTIC MARKETS

#### Soy meal

Soymeal prices traded weak due to poor physical demand amidst weak soy futures for slight firmness noticed by n weekends. Since soymeal offered by overseas suppliers are competitively priced, they are finding an edge over Indian soymeal and hence leading to bearish cues. 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.

#### 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.

#### Outlook-

##### Short term (one week)

✍ Sentiments likely to trade range bound.

#### DOC Rates at Different Centres

Places	Ex-factory rates (Rs/ton)	
	04.12.06	09.12.06
Indore (MP)	8800-8900	8900-9000
Datia (MP)	8600-8700	8500-8600
Shivpuri (MP)	8500-8600	8500-8600
Kota	8700-8800	8700-8800

Nanded/Latur	8400-8600	8300-8400
Dhulia/Jalna	9000-9100	8800-8900
Nagpur (41/45)	8000-8400	8000-8300
Sangli	10,000-10,100	9500-9600
Solapur	9600-9800	8700-8900

## Soy Meal Vessel Report (09.12.06)

### 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** 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.

#### 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	Commodity	Destination
Mumbai	Blue Star-VI	6000	Arrived	SBM	-
Mumbai	Precious	-	Berthed	SBM	-
Mumbai	Badulu Valley -VI	3500	Expected	SBM	-
Mumbai	Blue Star-VI	6000	Arrived	SBM	-
Mumbai	Thor Mariner	13,200	Expected	SBM	-
Kandla	M.V.IBI	12,500	Expected	SBM	
Vizag	Dan Yang	12,200	Expected	SBM	

### 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 varied from Rs. 5050 to Rs 5200 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

### Groundnut meal

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.

The week's 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.

### Monsoon Outlook (02.12.06)

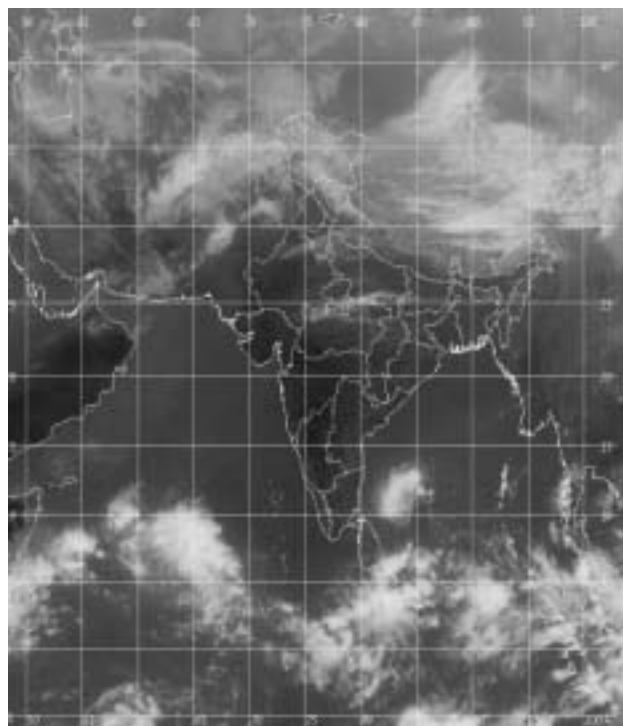
- Morning's low-pressure area over southwest Bay of Bengal has weakened into trough of low-pressure area and lies over the same place. Under its influence scattered to fairly widespread rainfall is likely over south Peninsula during next 3 days.
- Night temperatures have fallen by 2-3°C over northwest 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.

### 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)

### Weather Map



Source-IMD

Forex

**Forex rate as on 09.12.06 and 04.12.06**

Country/ Continent	Currency	Value in Rupees [09.12.06]	Value in Rupees [04.12. 06]
USA	Dollar	44.69	44.59
European Union	Euro	59.37	59.40
Japan	100 Yen	38.77	38.58
United Kingdom	GBP	87.68	88.24

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