

OILMEAL

5th January, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Steady to weak sentiments for soymeal.
- Rapeseed meal reflects bearish sentiments.

DOMESTIC MARKET

Soy meal

Rates for soymeal scaled down at ports and domestic market amidst weak sentiments for soy meal futures at CBOT. Unless soymeal finds export parity in terms of prevailing International prices offered by overseas suppliers fresh demand is unlikely, as stated by a market observer. Since overseas markets remained closed, active trading could not be witnessed. Most of the millers have huge inventories for soymeal and finding it difficult to dispose off on date amidst weak to normal physical demand for soymeal. 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)		
	04.01.07	03.01.07	Parity To
Indore (MP)	9000	8950-9000	Guj, MP
Datia (MP)	8800	8800-8900	UP, Bihar, WB, Nepal
Shivpuri (MP)	8550	8500-8600	UP, Bihar, WB, Nepal
Kota	8800-8850	9000	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	8800-8900	8900-9000	Andhra, AP, Kar, TN
Dhulia/Jalna	9100	9100-9200	Mumbai Maharashtra
Nagpur (41/45)	8600-8650	8650-8700	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	9500-9600	9600	Local and South
Solapur			Local and South
Dharwar			Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	04.01.07	03.01.07
Kandla	9550-9650	9650-9750
Jamnagar	9500-9550	9650
Mumbai	9550-9650	9650-9700

Current vessel positions in different ports: -

Mumbai port: -

Vessel AI -diyar- VI would load 2200 MT of SBM. It is expected on 03.01.07. Preetika Shipping agent is handling the vessel.

Vessel Zaid has arrived and would be ready by 06.01.07, it would load 8000 MT of SBM. Shaan Marine Services would be handling the vessel.

Badulu Valley was expected to arrive on 27.12.06 to load 3500 MT of SBM. Sai freight agent is handling the vessel.

Vessel Qui Lin Men is berthed at Mumbai port and would sail on 04.01.07. Chowgule brothers would handle the vessel. It would load 6200 MT of SBM.

Vessel Raj Milan would sail off on 04.01.07. It is berthed at Victorias dock. Rizvi Shipping agents is handling the vessel.

Kandla port: -

Vessel M.V. **El Tango** was expected to arrive on 04.01.07. It would load 28,000 MT of SBM. TSAS is the agent that would handle the vessel.

Vessel **M.V.Anyuan** is working at port to load 24,500 MT of SBM. Pearl SHG is handling the vessel. Expected time for sail is 30.12.06. Current status not reported.

Vessel **M.V.Notto III** is waiting for berth and is handled by Taurus agents. It would load 10,000 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. Current status not reported.

Vessel **AN Yue Jiang** is waiting for berth to load 12,600 MT of SBM. Interocean 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.

Bedi:

Vessel **M.V. Luna Blue** is working at port to load 11,000 MT of SBM.

Vessel Cresta Blue is loading 11,000 MT of SBM.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Desti-Nation
Mumbai	Badulu Valley -VI	3500	Expected	-
Mumbai	Al-diyar-VI	2200	Expected	
Mumbai	Zaid	8000	Expected	
Mumbai	Qui Lin Men	6200	Expected	-
Kandla	EL Tango	28,000	Expected	
Kandla	M.V.Anyuan	24,500	Berthed	
Kandla	AN Yue Jiang	12,600	Waiting for berth	
Kandla	M.V.Notto III	10,000	Berthed	
Kandla	M.V.Leonis	9000	Waiting for berth	
Vizag	Ambassador	4900	Berthed	
Vizag	Vietfracht	7000	Berthed	
Bedi	M.V Cresta Blue	11,000	Loading	
Bedi	M.V Luna Blue	11,000	Loading	

Rape/ Mustard Meal

Except for locally available meal obtained from mills across mustard growing regions, sentiments for DOC remained steady and rates range bound. Normal to weak demand from animal feed industry have had its affect felt on domestic demand. Weak demand for edible oils in general prompted for overall weakness in oilmeal sentiments. Industry sources state that, animal feed industry has opted locally available rapeseed meal instead of DOC due to its easy availability and relative cheapness as compared to DOC. The DOC

prices at Kandla were quoted at Rs 4900 - 5050 in [PP bags) and in Mundra it is offered in a range of Rs.4900 - 5000. At Jamnagar it is offered at Rs4800 - 4900. 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)	
	04.01.07	03.01.07
Parli -Latur	5700-5800	5800-5900
Dharwar	-	
Jalna	-	5600-5700
Solapur	-	6000
khamgaon	5400-5500	5400-5500

[Note: - Data not available for sunflower meal]

Groundnut DOC

Rates for both qualities of meals remained range bound amidst lack of fresh demand and ready availability of other meals. Groundnut meal at 40% and 45% were quoted at Rs 7300 and Rs 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.

CBOT Soy Meal Futures as on January 03.

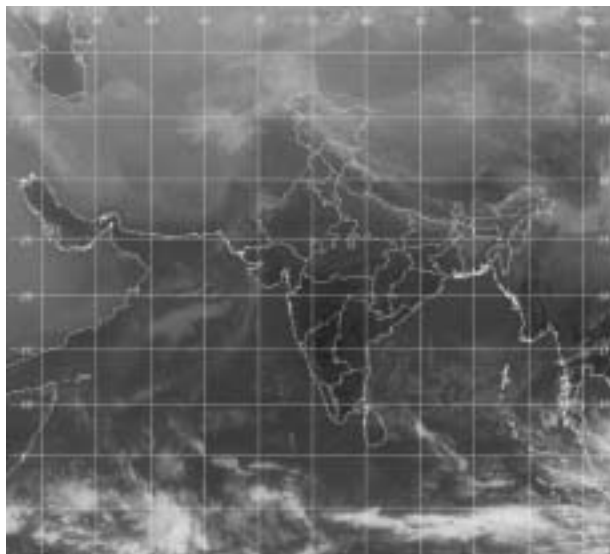
Month	Open	High	Low	Close	Chg
Jan07	189.8	191.3	187.5	187.8	-4.1
Mar07	195.0	196.7	192.2	192.4	-4.5

Monsoon Outlook (04.01.07)

Chief Features:

- Cold wave conditions prevailed at some places over Punjab and isolated pockets of Jammu division of Jammu & Kashmir, north Haryana, north Rajasthan and East Uttar Pradesh. Night temperatures were 2-3 °C below normal over remaining parts of Indo-Gangetic plains. Ground frost was also experienced at some places over Punjab, Haryana and north Rajasthan. Night temperatures are likely to increase leading to abatement of cold wave and frost conditions during next 1-2 days.
- A western disturbance lies over north Pakistan and neighborhood. Under its influence isolated snowfall activity is likely over Jammu & Kashmir during next 24 hours. The precipitation activity is likely to increase and extend to Himachal Pradesh and Uttaranchal during 5-6th. Isolated rain/thundershower is also likely over plains of northwest India during 5-6th.
- Lowest night temperature in the plains of the country was -0.6°C recorded at Amritsar in Punjab.

Weather Map [As on 04.01.07]



Source-IMD

Outlook for subsequent two days from 0830 hours IST of 7th January 2007 (Based on numerical weather products):

- Cessation of precipitation and development of fog conditions are likely over northwest India.
- Fall in night temperatures over plains of northwest India.

Source: GOI (IMD)

FOREX RATE AS ON 04.01.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.42
European Union	Euro	58.46
Japan	100 Yen	37.20
United Kingdom	GBP	86.61

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.