

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments remained steady and rates range bound.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 221,200 MT were two and one-fifth times the previous week and the prior 4-week average. The major buyers were Canada (50,700 MT), Mexico (39,000 MT), Chile (26,600 MT), Morocco (21,800 MT, including 10,000 MT switched from unknown destinations), Turkey (16,500 MT), and Saudi Arabia (16,000 MT). Decreases were reported for unknown destinations (14,000 MT) and Guatemala (7,200 MT). Exports of 157,800 MT--a

marketing-year high--were 14 percent above the previous week and 19 percent over the prior 4-week average. The primary destinations were Chile (26,600 MT), Mexico (25,800 MT), Panama (22,000 MT), Canada (19,700 MT), El Salvador (15,500 MT), and Guatemala (14,800 MT).

Source: USDA

Export of Oil meal (Extractions) from April 06 to December '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
December 2006	506,300	63,500	14,250	18,550	---	24,075	626,675
	492,950	47,400	18,000	6,500	750	14,100	579,700
Total	2,159,225	656,825	65,550	157,150	---	137,275	3,176,025
	1,641,775	441,500	95,200	60,450	750	162,450	2,402,125
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

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS [06.01.07]

Soy finished mixed at CBOT on Friday. March Soybeans finished 1.5 cents up at \$7.1775/bushel. May Soybeans settled 1.25 cents up at \$ 7.325/bushel. March Soybean oil finished \$2 down at \$209.3/short ton. March Soybean oil ended 0.48 up at 29.3 cents/pound. A significant drop in US soybeans plantation areas about 4.6 million acre at 70.878 million acres in 2007 against 75.35 million acres in 2006 amidst farmers keen to plant other remunerated crop likely

corn had bullish impact in the market. USDA weekly exports sales for soybean stood at 1.096 million metric ton against trade expectations of 500,000-700,000 metric tons, Meals sales came at 221,200 metric tons as compared to trade expectations of 75,000-125,000 metric tons and soy oil exports sales remained at 15,500 metric tons against trade expectations between 5,000-15,000 metric tons.

CBOT Soy Meal Futures as on 17 and 20 January 2007.

Month	Open	High	Low	Close	Chg
Jan07	213.3[211.2]	213.3 [211.2]	209.2 [207.5]	209.3 [208.1]	-2 [-1.5]
Mar07	217.1 [195.0]	217.1 [196.7]	213.4 [192.2]	213.4 [192.4]	-1.9 [-1.2]

CBOT Remains Close on Saturday and Sunday

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

DOMESTIC MARKETS

Soy meal

Rates for soymeal scaled down at the backdrop of weak soymeal futures in overseas. As per market news, Argentina has lowered its FOB prices for soymeal to considerable extent thus adding bearishness in overall soy complex. As per traders, SBM shipped from Kandla port has good export parity and thus sold off in bulk across southeast and Arab nations. As per official release from SOPA, exports of soymeal from

Kandla port declined during Dec 2006 as compared to other ports namely Mumbai and Bedi ports. Exports of soymeal during Dec 2006 surpassed export figures of soymeal during same month for previous year by 2.70%. However, out of total oilmeal exported in Dec 2006, soymeal contributed a satisfactory share of around 81%. New vessels are waiting for vacant berths in order to load consignments for exports.

Soy Meal Price Drivers-

- Overseas suppliers offering meal at competitive prices.
- Improved sentiments for soymeal throughout the week.
- Improvement in crushing margins at processors end.
- Good offtake of beans by solvent extraction units.

Outlook-

Short term (one week)

✍ Sentiments likely to trade range bound.

DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		15.01.07	20.01.07
1.	Indore (MP)	9500	9700-9800
2.	Datia (MP)	9200-9300	-
3.	Shivpuri (MP)	-	-

4.	Kota	8900-8950	9450-9500
5.	Nanded/Latur	9000-9100	9800
6.	Dhulia/Jalna	9300	9800
7.	Nagpur (41/45)	9300	9600-9700
8.	Sangli	9700-9800	10,200
9.	Solapur	-	10,100
10.	Dharwar	9800	10,200

Soy Meal Vessel Report (20.01.07)

Current vessel positions in different ports

Kandla port: -

M.V.Leonis has arrived. It would load 9000 MT of SBM from Kandla port. Taurus agent is handling the vessel.

M.V. Pan Leader has berthed and was expected to load 20370 MT of SBM on 16.01.07. Interocean agent is handling the vessel.

Mumbai port: -

Vessel Victoria VI is expected to arrive on 19.01.07. Shaan marine services would load 3200 MT of SBM.

City-VI is expected to arrive on 21.01.07. It would load 5000 MT of SBM. Shaan Marine Service would handle the vessel.

New Nanjing -VI is expected to arrive on 28.01.07. It is expected to load 6200 MT of bagged SBM. Chowgule brothers would handle the vessel.

Vizag port: -

Vessel M.V Jinda has arrived at port and would load 6500 MT of SBM from Vizag port. Bothra shipping services is handling the vessel.

Vessel Chopol -II is arrived on 12.01.07 and would load 12,000 MT of SBM.

Bedi port: -

M.V.Liang Shang is expected to arrive on 22.01.07. It would load 13,400 MT of SBM.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Commodity	Destination
Mumbai	Victoria VI	3,200	Expected	SBM	
Mumbai	City-VI	5000	Expected	SBM	
Mumbai	New Nanjing -VI	6200	Expected	SBM	
Kandla	M.V.Leonis	9,000	Waiting for berth	SBM	
Kandla	M.V. Pan Leader	20,370	Berthed	SBM	
Vizag	Buyon -II	8,000	Expected	SBM	
Vizag	Chopol	12,000	Expected	SBM	
Bedi	M.V.Liang Shang	13,400	Expected	SBM	

Rape/ Mustard meal

Industry sources state that, animal feed industry has opted locally available rapeseed meal instead of DOC due to its

easy availability and thus has become dearer at Rs 6200 per tons in comparison to locally available DOC available at Rs 5100 per

ton. The FAS rates for rapeseed DOC was quoted in range of 118 to 122 USD. The DOC prices at Kandla were quoted at Rs 5200 in [Jute bags] Rs 5600 [PP Bags] and in Mundra it is offered in a range of Rs.5400-5500. At Jamnagar it is offered at Rs4900- 5100. At Jaipur market the rate quoted stood at Rs.4500-4600 per ton. The rates offered at Kota stood at Rs 4400 per ton. As per official release of oilmeal

export data from Solvent Extractors Association of India, the export of rapeseed meal for month of December declined by 7% in comparison to exports during November 2006. Except for locally available meal obtained from mills across mustard growing regions, sentiments for DOC remained steady and rates range bound.

Groundnut meal

Rates for groundnut meal has improved considerably in comparison to previous levels on account of steady to firm sentiments for groundnut and groundnut oil in domestic market. As per official release of oilmeal export data from Solvent Extractors Association of India, the export of groundnut meal increased more than 300% over exports

during the month of November 2006. Groundnut meal at 40% and 45% were quoted at Rs 7600 and Rs 8100-8200 per MT respectively in Rajkot. Good prospects for Rabi groundnut production in Gujarat gave additional support to existing firmness to groundnut by-products too.

Monsoon Outlook and salient features observed during the week.

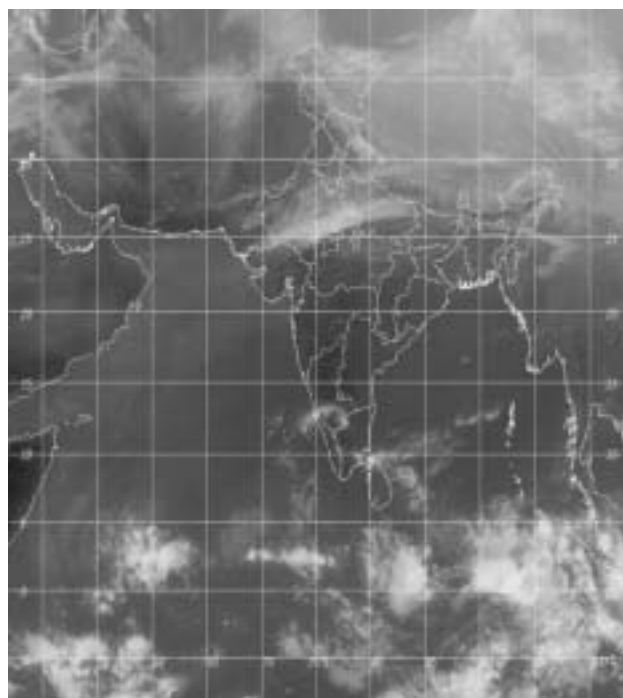
- Cold wave conditions prevailed over isolated pockets of Jammu division of Jammu & Kashmir, Punjab, northeast Rajasthan and East Uttar Pradesh. The night temperatures are below normal by 2-3 °C over remaining parts of Indo-Gangetic plains. The current scenario is likely to continue during next 1-2 days and rise in minimum temperature likely thereafter.
- A fresh western disturbance is likely to cause snowfall activity over western Himalayan region from 25th onwards. Isolated light rain/thundershower is also likely over the adjoining northern plains.
- Lowest night temperature in the plains of the country was 0.7 °C recorded at Amritsar in Punjab.

Outlook for subsequent two days from 0930 hours IST of 20th January 2007 (Based on numerical weather products):

- Scattered snowfall is likely over Western Himalayan region. Isolated rain/thundershower is also likely over the adjoining northern plains.

Source: GOI (IMD)

Weather Map [As on 20.01.07]



Source-IMD

Forex

Forex rate as on 15.01.07 and 20.01.07

Country/ Continent	Currency	Value in Rupees [15.01.07]	Value in Rupees [20.01.07]
USA	Dollar	44.31	44.14
European Union	Euro	57.29	57.19
Japan	100 Yen	36.83	36.41
United Kingdom	GBP	86.82	87.09

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