

OILMEAL

4th January, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC MARKET

Soy meal

Rates for soymeal scaled down amidst lack of direction amidst closed International market. Unless soymeal finds export parity in terms of prevailing International prices offered by overseas suppliers fresh demand is unlikely, as per market observers. 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) | | |
|----------------|---------------------------|-----------|--|
| | 03.01.07 | 02.01.07 | Parity To |
| Indore (MP) | 8950-9000 | 8950-9000 | Guj, MP |
| Datia (MP) | 8800-8900 | 8800-8900 | UP, Bihar, WB, Nepal |
| Shivpuri (MP) | 8500-8600 | 8500-8600 | UP, Bihar, WB, Nepal |
| Kota | 9000 | 8950-9000 | Rajasthan, Del, Punjab, Haryana |
| Nanded/Latur | 8900-9000 | 9000 | Andhra, AP, Kar, TN |
| Dhulia/Jalna | 9100-9200 | 9100 | Mumbai Maharashtra |
| Nagpur (41/45) | 8650-8700 | 8600-8700 | CG, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Sangli | 9600 | 9500-9650 | Local and South |
| Solapur | | - | Local and South |
| Dharwar | | - | Karnataka, Tamil Nadu |

DOC Port rate at different centers

| Centers | FOR Price (Buy price) | |
|----------|-----------------------|-----------|
| | 03.01.07 | 02.01.07 |
| Kandla | 9650-9750 | 9700 |
| Jamnagar | 9650 | 9600-9650 |
| Mumbai | 9650-9700 | 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 Zald is expected to arrive on 01.01.07, 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 expected at Mumbai port on 27.12.06. Chowgule brothers would handle the vessel. It would load 6200 MT of SBM.

Kandla port: -

Vessel M.V. **El Tango** is 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.

Vessel **M.V.Notto III** is waiting for berth and is handled by Taurus agents. It would load 10,000 MT of SBM.

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.

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

Rates for the DOC remained range bound due to lack of good demand from animal feed industry abroad and within. 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) | |
|--------------|---------------------------|-----------|
| | 03.01.07 | 02.01.07 |
| Parli -Latur | 5800-5900 | 5900-6000 |
| Dharwar | | - |
| Jalna | 5600-5700 | 5600-5700 |
| Solapur | 6000 | 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 ** [CBOT is closed for Tuesday]

| Month | Open | High | Low | Close | Chg |
|--------|------|------|-----|-------|-----|
| Jan 07 | | | | | |
| Mar 07 | | | | | |

Monsoon Outlook (03.01.07)

Chief Features:

- As predicted, night temperatures have fallen by 2-4 °C over plains of northwest India. Cold wave conditions developed at some places over Punjab and isolated pockets of Jammu division of Jammu & Kashmir, north Haryana and north Rajasthan. Ground frost was also experienced at some places over Punjab, Haryana and north Rajasthan. These conditions are likely to prevail during next 24 hours and subsequently night temperatures are likely to increase leading to abatement of cold wave and frost conditions.
- Under the influence of an approaching western disturbance, scattered rain/snow activity is likely over western Himalayan region during 4-6th. Isolated rain/thundershower is also likely over plains of northwest India during 5-6th.
- Lowest night temperature in the plains of the country was -0.5°C recorded at Amritsar in Punjab.

Low Temperature Warning:

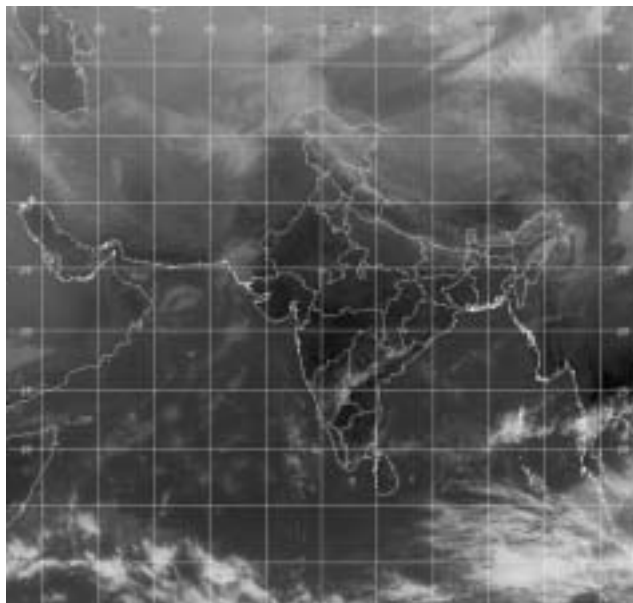
- Ground frost conditions are likely at some places over Punjab, Haryana and north Rajasthan during next 24 hours.

Outlook for subsequent two days from 0830 hours IST of 6th January 2007 (Based on numerical weather products):

- Scattered rain/snowfall activity is likely over western Himalayan region. Isolated rain/thundershower is also likely over plains of northwest India.
- Fog conditions are likely over plains of northwest India.

Source: GOI (IMD)

Weather Map [As on 03.01.07]



Source-IMD

FOREX RATE AS ON 03.01.07

| Country/ Continent | Currency | Value in Rupees |
|-----------------------|----------|-----------------|
| USA | Dollar | 44.33 |
| European Union | Euro | 58.88 |
| Japan | 100 Yen | 37.32 |
| United Kingdom | GBP | 87.49 |

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