

OILMEAL

January 22 to 27, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments remained steady and rates range bound.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 34,400 MT--a marketing-year low--were 85 percent below the previous week and 73 percent under the prior 4-week average. Increases for Japan (25,800 MT, including 24,000 MT switched from unknown destinations), Ecuador (20,000 MT), and the Dominican Republic (18,000MT), were partially offset by decreases for unknown destinations (25,800 MT), Canada (12,200 MT), and

Mexico (9,400 MT). Exports of 123,200 MT were 22 percent below the previous week's marketing-year high and 11 percent under the prior 4-week average. The primary destinations were Japan (33,400 MT), Mexico (27,200 MT), Canada (23,500 MT), and the Philippines (15,000 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
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FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS [24.01.07]

Soy Futures Finish Mixed at CBOT

Soy remained mixed at CBOT. March Soybeans finished 12.25 cents down at \$7.15/bushel. May Soybeans settled 11.5 cents down at \$7.305/bushel. March Soymeal closed \$1.9 down at \$208.4/short ton. March Soybean oil ended 0.7 down at 29.23 cents/pound. March Soybean oil ended 0.7 down at 29.23 cents/pound. Lack of fundement news and weakness in corn had spill over impact on soy futures on Wednesday. Rain in last couple of days in Argentina stood supportive for soybeans aided bearishness. Spread

of bird flu in Asian countries pressured meal demand had underlying bearish impact. Inspection over monthly crushing report, December crush came near 156 million bushels, oil stock stood at 2.998 billion pounds and meals stocks stood near 350,000 tonnes. However, inspection over weekly export sales report, soybeans sales expected between 450,000-650,000 tonnes, meal sales stood at 75,000-150,000 tonnes and oil sales remained between 0-10,000 tonnes.

CBOT Soy Meal Futures as on 22 and 26 January 2007.

Month	Open	High	Low	Close	Chg
Jan 07	208.5 [206.3]	208.5 [211]	205.5 [206.8]	205.8 [209.2]	-2.4 [-0.1]
Mar 07	213 [211.3]	213.1 [215.2]	210.9 [213.4]	211 [211.3]	-2.2 [-0.3]

CBOT Remains Close on Saturday and Sunday

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

DOMESTIC MARKETS

Soy meal

Rates for soymeal scaled down at the backdrop of weak soymeal futures in overseas, added bearishness in overall soy complex. As per traders, Stood of big buyers at ports supported the meals demand and crushers and solvent extractors were engaged even less supportive parity of for soymeal. 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.
- Regular 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)	
		22.01.07	27.01.07
1.	Indore (MP)	9800	9600
2.	Datia (MP)	9700	-
3.	Shivpuri (MP)	-	-

4.	Kota	9700	9600
5.	Nanded/Latur	9800	9700
6.	Dhulia/Jalna	9700	9700
7.	Nagpur (41/45)	9700	9700
8.	Sangli	10,000	10,000
9.	Solapur	10,200	10,000
10.	Dharwar	-	10,100

Soy Meal Vessel Report (27.01.07)

Current vessel positions in different ports

Kandla port: -

M.V. Leonis is waiting for berth and it would load 9000 MT of SBM and 3000 MT RSM from Kandla port. Taurus agent is handling the vessel.

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

M.V. Dok Chon is waiting for berth and expected to load 12,600 MT of RSM on 18.01.07. Taurus agent is handling the vessel.

MV Dauntless is expected to arrived on 1.02.2007 to load 15,000 MT SBM. Pearl Shg would handle the vessel.

Mumbai port: -

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

Qing Yun is arrived on 22.01.07 and waiting for berth to load 6200 MT SBM. Halar Maritime Agent is handling the vessel.

Afamia-VI is expected to arrive on 27.01.07. It would load 8000 MT SBM. Shann Marine Services is supposed to handle this vessel.

New Nanjing-VI is expected to arrive on 28.01.2007 to load 6200 MT SBM. Chowgule Brothers is supposed to handle this vessel.

Vizag port: -

Vessel Tan Binh has arrived on 17.01.07 and is expected to load 7840 MT SBM and Bothra shipping services is handling the vessel.

Bedi port: -

M.V. Liang Shan is expected to arrive on 18.01.07 and it is loading 13,400 MT of SBM.

MV Tay Son-2 arrived on 20.01.2007 and would load 11000 MT SBM.

MV. Marine Blue arrived on 22.01.2007 and expected to load 11000 MT SBM.

Current Vessel Position

Ports	Vessels	Vol. (MT)	Status	Commodity	Destination
Mumbai	Afamia-VI	8,000	Expected	SBM	
Mumbai	City-VI	5000	Expected	SBM	
Mumbai	New Nanjing -VI	6200	Expected	SBM	
Mumbai	Qing Yun	6,200	Waiting for Berth	SBM	
Kandla	M.V. Leonis	9,000	Waiting for berth	SBM	
Kandla	M.V. Pan Leader	20,370	Waiting for Berth	SBM	
Kandla	M.V Dok Chon	12,600	Waiting for Berth	SBM	
Kandla	M.V. Dauntless	15,000	Expected	SBM	
Vizag	Tan Binh	7,840	Arrived	SBM	
Bedi	M.V. Liang Shang	13,400	Expected	SBM	

Bedi	MV Tay Son-2	11,000	Arrived	SBM	
Bedi	MV Marine Blue	11,000	Arrived	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 remained steady 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 h 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.

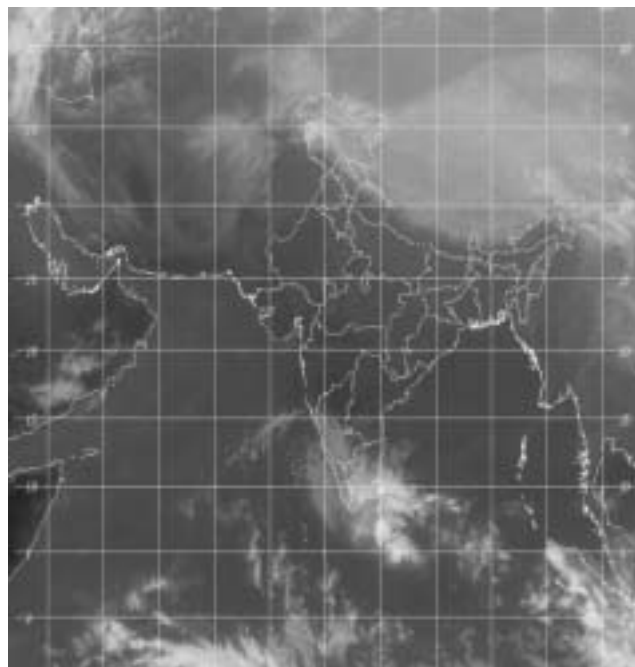
- No significant change has occurred in night temperatures over most parts of Indo-Gangetic plains and Rajasthan during past 24 hours. The current met analysis suggests that the prevailing night temperature scenario is likely to continue during next 1-2 days over the above regions.
- A fresh western disturbance as an upper air system is likely to affect Western Himalayan region from 29th.
- Lowest night temperature in the plains of the country was 2.4 °C recorded at Amritsar in Punjab.

Outlook for subsequent two days from 0930 hours IST of 28th January 2007 (Based on numerical weather products):

Fall in night temperatures from 31st onwards over plains of northwest India.

Source: GOI (IMD)

Weather Map [As on 27.01.07]



Source-IMD

Forex

Forex rate as on 22.01.07 and 27.01.07

Country/ Continent	Currency	Value in Rupees [22.01.07]	Value in Rupees [27.01.07]
USA	Dollar	44.21	44.15
European Union	Euro	57.34	56.99
Japan	100 Yen	36.43	36.32
United Kingdom	GBP	87.30	86.51

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