

OILMEAL

January 01 to 05, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments remained steady and rates range bound.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 71,800 MT were 34 percent under the previous week and 47 percent below the prior 4-week average. The major buyers were Mexico (55,000 MT), Saudi Arabia (33,000 MT), Canada (9,600 MT), and Turkey (7,000 MT). Exports of 143,900 MT were 29 percent above the previous week and 17 percent over the prior 4-week average. The

primary destinations were South Korea (57,200 MT), Mexico (28,300 MT), Canada (18,700 MT), Japan (13,300 MT), and Colombia (10,300 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 [06.01.07]

March soybeans settled 6 cents up at \$6.815 per bushels. March soymeal finished 2.6 cents up at \$195.9 per short ton and March soybeans oil ended 0.15 up at 28.8 cents per pound. Recovery in corn, rallies in the US dollar, Taiwan passed tender to fresh purchase of 27,000-60,000 tonnes of US origin soybeans supported bounce back soy futures from oversold region despite weak energy markets and below trade expectations of USDA weekly exports

sales at Chicago Board of Trades. Overnight firmness at BMD and upsurge in dollar had some bullish impact. Weekly export sales of soybeans stood at 349,800 metric tons against trade expectations between 450,000-650,000 metric tons, meal sales remain at 72,600 metric tons against trade expectations between 50,000-100,000 metric tons and soy oil sales came at 4,700 metric tons against trade expectations between 0-10,000 metric tonnes.

CBOT Soy Meal Futures as from 03 to 05 January 2007.

Month	Open	High	Low	Close	Chg
Jan07	188.5 [189.8]	191.0 [191.3]	187.0 [187.5]	191.0 [187.8]	+2.4 [-4.1]
Mar07	193.8 [195.0]	196.2 [196.7]	191.8 [192.2]	195.9 [192.4]	+2.6 [-4.5]

CBOT Remains Close on Saturday and Sunday

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

DOMESTIC MARKETS

Soy meal

As per recent official release from Soybean Processors Association of India, around 6.15 lakh tonnes of soymeal was exported during the month of December 2006. It was 14% more as compared to same period for previous year. Exports by road are not included and the data quoted is provisional subject to further revision as per SOPA. Around 2.53 lakh MT of soybean meal was exported from Kandla port during December 2006, which was around 20% less than exports during same period during previous year. However exports from Mumbai port improved by 114% over same month during previous year.

Lack of market direction, bearish cues from soybean spot markets and reduced offtake by solvent extraction units kept the overall sentiments weak. Soymeal rates remained range bound through out the week except for slight improvement noticed by weekend when soy meal futures firmed up at CBOT at the back drop of slight improvement in crushing margins for domestic soymeal at processors end. As per SOPA, the total export of oil meals during April to November 2006 was 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.

Soy Meal Price Drivers-

- Overseas suppliers offering meal at competitive prices.
- Decline in export sales of soymeal from Kandla port.
- Steady sentiments for soymeal throughout the week.
- Slight 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)	
		01.01.07	05.01.07
1.	Indore (MP)	8950-9000	9000-9050
2.	Datia (MP)	8800-8900	8800
3.	Shivpuri (MP)	8550-8600	8550-8600

4.	Kota	8800-8850	8800-8850
5.	Nanded/Latur	8800-8900	8800-8900
6.	Dhulia/Jalna	9000-9100	9000-9100
7.	Nagpur (41/45)	8700-8800	8700-8800
8.	Sangli	9500-9700	9500-9700
9.	Solapur	-	-
10.	Dharwar	8900-9100	-

Soy Meal Vessel Report (06.01.07)

Current vessel positions in different ports

Mumbai port: -

Vessel **Al -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.

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	Commodity	Destination
Mumbai	Badulu Valley -VI	3500	Expected	SBM	
Mumbai	Al-diyar-VI	2200	Expected	SBM	
Mumbai	Zaid	8000	Expected	SBM	
Mumbai	Qui Lin Men	6200	Expected	SBM	
Kandla	EL Tango	28,000	Expected	SBM	
Kandla	M.V.Anyuan	24,500	Berthed	SBM	

Kandla	AN Yue Jiang	12,600	Waiting for berth	SBM	
Kandla	M.V.Notto III	10,000	Berthed	SBM	
Kandla	M.V.Leonis	9000	Waiting for berth	SBM	
Vizag	Ambassador	4900	Berthed	SBM	
Vizag	Vietfracht	7000	Berthed	SBM	
Bedi	M.V Cresta Blue	11,000	Loading	SBM	
Bedi	M.V Luna Blue	11,000	Loading	SBM	

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 - 5100 in [PP bags) and in Mundra it is offered in a range of Rs.4900 - 5000. 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. Export sales data for December 2006 awaited.

Groundnut meal

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. Export sales data for December 2006 awaited.

Monsoon Outlook and salient features observed during the week.

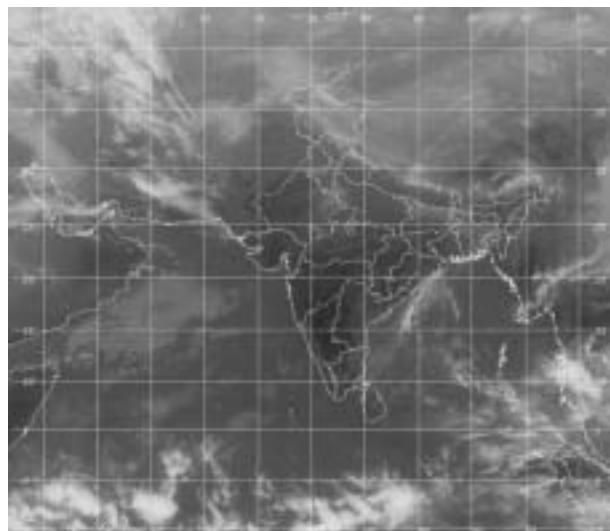
- Cold wave conditions prevailed at some places over Punjab and isolated pockets of Jammu division of Jammu & Kashmir, north Haryana, East Uttar Pradesh, Bihar, Orissa and Jharkhand. Night temperatures were 2-3 °C below normal over remaining parts of northwest India. Ground frost was also experienced at some places over Punjab and north Haryana. No significant change is likely to occur in night temperature over plains of northwest India during next 24 hours and fall on 8th.
- Under the influence of western disturbance located over Jammu & Kashmir and neighborhood, isolated snowfall activity is likely over western Himalayan region during next 24 hours. Isolated rain/thundershower is also likely over Punjab, north Haryana during same period.
- Lowest night temperature in the plains of the country was - 3.8°C recorded at Adampur in Punjab..

Outlook for subsequent two days from 0930 hours IST of 9th January 2007 (Based on numerical weather products):

- A fresh western disturbance likely to affect western Himalayan region on 9th.

Source: GOI (IMD)

Weather Map [As on 06.01.07]



Source-IMD

Forex

Forex rate as on 01.01.07 and 05.01.07

Country/ Continent	Currency	Value in Rupees [01.01.07]	Value in Rupees [06.01.07]
USA	Dollar	44.22	44.29
European Union	Euro	58.25	57.59
Japan	100 Yen	37.16	37.34
United Kingdom	GBP	86.63	85.51

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