

## OILMEAL

18<sup>th</sup> June, 2007

### MAJOR ACTIVITY HIGHLIGHTS

- Soymeal prices reflect steady to slightly firm sentiments.
- Rapeseed meal reflects steady sentiments.

### DOMESTIC MARKET

#### Soy meal

The FAS rates for soybean meal ranged from \$ 267 to 272/MT. Domestic soymeal prices continued to surge up on weekend trading on talks of some export demand at the back of domestic buying support. At CBOT, uncertain weather predictions for next week coupled with good gains from overnight firmness in palm oil supported soy futures to settle higher. Traders are unwilling to go short on Monday for forecast of dry weather. Soymeal found strong buying support from sharply higher trade in corn. News that 'Informa' pegged soybean planted area for this season at 68.77 million acres vs. the last USDA estimate at just 67.1 million failed to have much impact on the market with a focus on the weather. As per SEA of India, oilmeal export for May stood at 2.3 lakh MT from April export figures of 4.32 lakh MT. For the same time period the soymeal export declined from 2.50 lakh MT to 1.10 lakh MT indicating continued subdued export sentiments for Indian soymeal. For the month of May, Vietnam imported around 67,375 MT of soymeal followed by Japan at 21,400 MT and Sri Lanka at 11,825 MT.

#### Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	16.06.07	15.06.07	Parity To
Indore (MP)	10,250-10,350	10,200-10,300	Gujarat, MP
Shivpuri (MP)	10,200	10,200	UP, Bihar, WB, Nepal
Kota	10,100-10,200	10,200	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	10,200	10,300	Andhra, AP, Kar, TN
Dhulia/Jalna	-	-	Mumbai Maharashtra
Nagpur (41/45)	10,200-10,300	10,200-10,250	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	10,400-10,500	10,400	Local and South
Solapur			Local and South

Dharwar			Karnataka, Tamil Nadu
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#### DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	16.06.07	15.06.07
Kandla	10,850-11,000	10,800-10,900
Jamnagar		
Mumbai	10.800	10,600-10,700

#### Current vessel positions in different ports: -

##### Kandla port: -

**M.V.Wakasa** is expected to arrive on 16.06.07. It would load 9000 MT of SBM. Taurus agent is handling the vessel.

##### Vizag: -

Vessel **Tan Binh 20** was loading 8600 MT of SBM. S. Chatterjee is the agent handling the vessel.

#### Current Vessel Position: -

Ports	Vessels	Vol. (MT)	Status	Desti-Nation
Vizag	Tan Binh	8600	Berthed	
Kandla	Wakasa	9000	Expected	

#### Rape/ Mustard Meal: -

The market continues to track soy complex and overseas sentiments as tight supply conditions of edible oils across the globe coupled with bids to import edible oils through state trading bodies bidding is indirectly affecting sentiments for expeller oil and seeds and rapeseed meal across domestic markets. The rapeseed meal improved slightly to Rs 6600 to 6800/MT. The DOC prices at Kandla were quoted at Rs 5300-5350/MT. As per Solvent Extractors Association of India's press release, the total oilmeal exports for May declined to 2.30 lakh MT from April's figures of 4.32 lakh MT. The rapeseed meal export too followed the suit and declined from 1.08 lakh MT to mere 74,225 MT. South Korea imported a maximum of 49,400 MT of rapeseed meal followed by

Vietnam and Taiwan at 11,325 and 9,200 MT

respectively.

#### Groundnut DOC: -

Low crushing margin with poor offtake of groundnut seeds at current higher prices discouraged expellers to pace up crushing supported the market. Groundnut meals demand remained sluggish both at ports and domestically has extended the bullishness. As current groundnut oil prices are high and likely to improve further on limited availability of quality nuts, traders are expecting acreage to improve by 5-6% in

upcoming Kharif season but plantation conditions mostly depend upon cotton plantation status, which is better crop in returns over groundnut. Rates for groundnut DOC stood range bound at Rs 7700 to 8200 /MT for 40% oil content. As per official release of oilmeal export data SOPA; exports of groundnut extract during April 2007 declined to 4500 MT [solely exported to Thailand] from previous months exports of 13,100 MT.

#### CBOT Soy Meal Futures as on June 15.

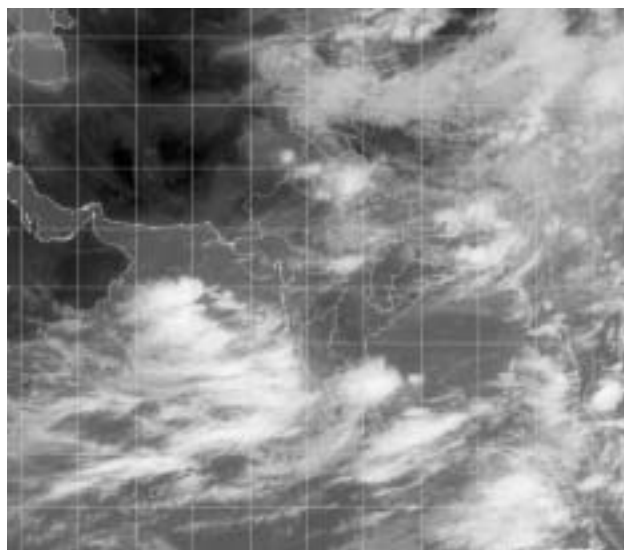
Month	Open	High	Low	Close	Chg
July07	230.8	235.7	230.8	235.4	+5.0
August07	232.8	237.0	232.8	236.7	+4.8

### Monsoon Outlook (16.06.07)

#### Chief Features:

- During past 24 hours fairly widespread rainfall has occurred over Indo-Gangetic plains, northeastern States, Sub-Himalayan West Bengal & Sikkim and along the west coast. Isolated heavy to very heavy rainfall also occurred over Tripura, Assam & Meghalaya, Sub-Himalayan West Bengal & Sikkim, Coastal & North Interior Karnataka and Lakshadweep. Scattered thunderstorm activity also occurred over central and adjoining peninsular India.
- A low pressure area is likely to form over west-central & adjoining northwest Bay of Bengal around 20th June.
- The current meteorological analysis suggests fairly widespread rainfall over east India and northeastern states during next 2-3 days.

### Weather Map [As on 16.06.07]



Source-IMD

#### Outlook for subsequent two days from 0830 hours IST of 19<sup>th</sup> of June, 2007 (Based on numerical weather products):

- Increase in rainfall activity over Orissa and Andhra Pradesh

Source: GOI (IMD)

#### FOREX RATE AS ON 16.06.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.59
European Union	Euro	54.34
Japan	100 Yen	32.88
United Kingdom	GBP	80.21

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