

### OILMEAL

12<sup>th</sup> January 2010

- Soy meal prices were up. FAS increased.
- Strong demand of soy meal from export houses influencing the Prices.
- India is likely to get an advantage of exporting more soy meal as crop loss in Argentina reduced output of soybean.
- Demand from China, US crushers seen tightening supplies of soybean.

#### DOMESTIC SOYMEAL MARKET:

Firm sentiment witnessed at key Soy meal cash markets as a result of tailing weak world soy complex market. Soy meal prices at domestic spot markets were rose by Rs. 100-200/tonne compared to previous day prices except in Indore where in prices were down by Rs. 200/tonne. Domestic Soybean prices may rise still further on international market demand.

CBOT Soy meal futures bounced in unison with soybean futures, underpinned by ongoing fears of reduced Argentina production and any cut in soybean availability for crushing there could shift some demand to U.S. shores.

- ✓ Processors at domestic market were steady at soy purchases as a result soybean prices rose by Rs. 5/qtl at Indore mandi along with weak soybean overseas market. Traders may become more active in short term on hopes of increasing export demand for soy meal from South East Asian countries.
- ✓ Soybean crush margin for processors declined and is Rs. -210/ton soybean crush (negative) which is down by Rs. 232/ton soybean crush compared to the previous day crush margin. The negative margin factor may reduce the crushing activities.
- ✓ Argentina's soybean production is forecast to drop by 13 percent to about 48 million metric tons in the current crop because of a lack of rainfall- Argentina's soybean group.
- ✓ World oil and oilseeds traders are eagerly waiting for USDA's monthly crop report with expectation that USDA is likely to trim world soybean production estimates as more damage is happened in South American countries.
- ✓ Initial support in soy oil from strength in world veg oil markets amid fears of shrinking palm oil supplies may influence for more soybean crushing in the medium term period which will increase the supply of soy meal in the market.
- ✓ India's soybean-meal exports surged by 62 percent last month as Southeast Asian buyers substituted imports from South America, where dry weather threatens planting- Soybean Processors Association of India.
- ✓ India's oilmeal exports rose 94 percent to 765,954 tonnes in December from 395,663 tonnes a year earlier. Oilmeal exports in the first nine months of the current financial year from April 2010 rose to 3.2 million tonnes compared with 2.3 million tonnes a year ago- Solvent Extractors' Association of India.
- ✓ COOIT has projected that India is likely to export 3.4 million tons of soy meal for FY11 against 2.1 million tons shipped in FY10.
- ✓ With demand from the importing nations like China continues to give support to the international prices.

#### SOYBEAN DOC PORT RATE:

Centers	FOR Kandla Rs/MT		FAS Kandla US \$/MT	
	11.01.11	10.01.11	11.01.11	10.01.11
Low	18200	18100	400	396
High	18200	18100	405	402

#### CBOT SOY MEAL FUTURES MARKET:

CBOT March soy meal up by 7.90 points at \$370.60 per short ton on Monday on Argentina crop worries and bullish outlooks for Wednesday's USDA crop reports.

#### CBOT Soy meal Futures Prices as on 10 January 2011

Month	Open	High	Low	Close	Chg
Jan 11	361.00	371.30	361.00	366.80	+7.70
Mar 11	363.60	375.30	363.30	370.60	+7.90
May 11	366.30	377.20	366.30	372.60	+7.60

#### FOREX RATES

Country/ Continent	Currency	Value in Rupees		
		11.01.11	10.01.11	Chg.
USA	Dollar	45.32	45.44	-0.12

#### RAPE/ MUSTARD MEAL & GROUNDNUT DOC:

- Rapeseed meal price in Sri Ganganagar was unchanged and quoted at **Rs.1037.50/ qtl** compared to the previous day's level of **Rs. 1051.25/qtl** and expected higher production estimates of RM Seed compared to last year weighing on the market.
- India's rapeseed meal exports in the month of December 2010 stood at 110,237 MT higher as compared to 51,402 MT in the corresponding month 2009.
- Groundnut meal Ex-stock Saurashtra, Gujarat, guaranteed (Basis 45% O&A) was quoted at Rs.14500/MT and GN meal Ex-stock Saurashtra, Gujarat non-guaranteed (Basis 40% O&A) was quoted at Rs.13000/MT.

**SOYBEAN - DOC PRICES**

Key Centres	Ex-factory rates (Rs/tonne)	
	12.01.2011	10.01.2011
Indore (MP)	16800-16900	16800-17100
Kota	16600	16500
Dhulia	17800-17900	17800
Nanded/ Latur/ Parbani/ Hingoli	17200-17400	17400
Nagpur (42/45)	16800-17000	16800
Sangli	17900-18000	17700
Solapur	17600	17600

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