

OILMEAL

17th January 2010

- Soy meal prices up. FAS increased.
- Strong demand of soy meal from export houses influencing the Prices.
- USDA cut its estimate of 2010 soybean production by 46 million bushels to 3.329 billion.
- Demand from China, US crushers seen tightening supplies of soybean.

DOMESTIC SOYMEAL MARKET:

Firm sentiment witnessed at key Soy meal cash markets and soy meal prices at domestic spot markets were up by Rs. 50/ton compared to previous day prices on increased demand for soy meal along with increase in prices of soybeans.

CBOT soy meal futures climbing to its highest level since August 2009, in step with soybeans on bullish longer-range fundamental outlooks. Longer range weather forecasts calling for dry Argentina weather provided support to erase earlier price weakness in soybeans futures

- ✓ Soybean crush margin for processors is Rs.-87/ton soybean crush (negative) which is up by Rs. 13/ton soybean crush compared to the previous day crush margin as a result of significant rise in soybean price at mandi.
- ✓ CBOT soybean and soy meal futures prices are likely to stay high in coming months and even rally further to curb demand.
- ✓ U.S. oilseed production for 2010/11 is estimated at 100.5 million tons, down 1.2 million from last month and global oilseed production is projected at 440.4 million tons, down 2.3 million from last month.
- ✓ US Soybean production is estimated at 3.329 billion bushels, down 46 million bushels based on reduced harvested area and lower yields and global soybean production is projected at 255.5 million tons, down 2.3 million-USD report.
- ✓ Soybean exports are projected at a record 1.590 billion bushels, unchanged from last month and ending stocks are projected at 140 million bushels, down 25 million from last month-USD.
- ✓ As per USDA projection, the soybean meal price will be at \$320 to \$360 per short ton, up 10 dollars on both ends of the range.
- ✓ 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.
- ✓ India might get an advantage of exporting more soy meal to South East Asian countries on lowering of production forecast for Argentina,

SOYBEAN DOC PORT RATE:

Centers	FOR Kandla Rs/MT		FAS Kandla US \$/MT	
	15.01.11	14.01.11	15.01.11	14.01.11
Low	18200	18200	408	415
High	18550	18500	410	420

CBOT SOY MEAL FUTURES MARKET:

CBOT March soy meal prices closed up by 4.50 points at \$388.10 per short ton on Friday and is its highest level since August 2009.

CBOT Soy meal Futures Prices as on 14 January 2011

Month	Open	High	Low	Close	Chg
Mar 11	382.50	388.50	379.60	388.10	+4.50
May 11	385.60	390.40	382.10	390.40	+4.10
Jul 11	386.00	390.60	382.50	390.60	+4.10

FOREX RATES

Country/ Continent	Currency	Value in Rupees		
		15.01.11	14.01.11	Chg.
USA	Dollar	45.35	45.30	+0.05

RAPE/ MUSTARD MEAL & GROUNDNUT DOC:

- Rapeseed meal price in Sri Ganganagar was up and quoted at **Rs.1050/ qtl** compared to the previous day's level of **Rs.1033.75/ qtl**. 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)	
	15.01.2011	14.01.2011
Indore (MP)	17000-17350	17000-17300
Kota	16850-17050	16850-17000
Dhulia	18200-18450	18200-18400
Nagpur (42/45)	17000-17150	17000-17100
Nanded/ Latur/ Parbani/ Hingoli	17750-17950	17700-17900
Sangli	18000-18350	18000-18300
Solahpur	18000-18150	18000-18100

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