

OILMEAL

19th January 2010

- Soy meal prices remain steady to higher. FAS Increased.
- Strong demand of Soy meal from export houses influencing the Prices.

DOMESTIC SOYMEAL MARKET:

Soy meal prices traded broadly higher in the spot market. Diminishing Soybean arrivals over a period of month remain supportive of the prices, along with demand as exports stay upbeat. However arrivals remain unchanged on the day, bearing almost negligible impact on the prices.

- ✓ Soybean price remain steady to lower in the spot market, which restricted the gains in the soy meal price.
- ✓ Soy meal spot basis offers were steady to weak around the United States on Friday as a spike in farmer sales of soybeans earlier this week left plenty of crushing supplies at processors. Dealers discounted basis offers in recent days in effort to spur demand as supplies are growing at the same time soy meal futures rallied to a 28-month high. Demand remains hand-to-mouth, with end users reluctant to buy extra feed supplies because of the high price.
- ✓ 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.
- ✓ Soybean output in Argentina, the largest producer after the U.S. and Brazil, is forecast to fall 15 percent to 47 MMT this year because of water shortages in the main growing regions.
- ✓ 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-USDA 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-USDA.

We expect that, India might get an advantage of exporting more soy meal to South East Asian countries on lowering of production forecast for Argentina, CBOT soybean and soy meal futures prices are likely to stay high in coming months and even rally further to curb demand.

SOYBEAN DOC PORT RATE:

Centers	FOR Kandla Rs/MT		FAS Kandla US \$/MT	
	18.01.11	17.01.11	18.01.11	17.01.11
Low	18600	18500	408	405
High	18800	18700	412	410

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

*overnight quotes

FOREX RATES

Country/ Continent	Currency	Value in Rupees		
		18.01.11	17.01.11	Chg.
USA	Dollar	45.53	45.59	-0.06

RAPE/ MUSTARD MEAL & GROUNDNUT DOC:

- Rapeseed meal price in Sri Ganganagar was steady and quoted at **Rs.1067.50/qtl** compared to the previous day's level of **Rs.1067.50/qtl**.
- 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.14400/MT and GN meal Ex-stock Saurashtra, Gujarat non-guaranteed (Basis 40% O&A) was quoted at Rs.13300/MT.

SOYBEAN - DOC PRICES

Key Centres	Ex-factory rates (Rs/tonne)	
	18.01.2011	17.01.2011
Indore (MP)	17300-17400	17300-17400
Kota	17200	17100
Dhulia	18300	18200-18300
Nagpur (42/45)	17400	17500
Nanded/ Latur/ Parbani/ Hingoli	17500-17700	17500-17600
Sangli	18200-18300	18000-18200
Solahpur	17700-17800	17700-17800

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