

OILMEAL

4th June, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments reflect steady sentiments.
- Rapeseed meal reflects steady market sentiments.

DOMESTIC MARKET

Soy meal

Soymeal has been trading range bound for major part of the week. Prices firmed up marginally on Saturday on bullish soymeal futures at CBOT. In US, more rains for Corn belts brought in some weakness early in the session. Bullish export sales report for soybeans coupled with support from gains in soymeal on news of disruption in crushing at Illinois plant provided support to soy futures at CBOT. Weekly US export sales for soybeans came in at 875,900 metric tonnes as compared to trade expectations between 500,000-800,000 MT. Meal sales came in at 70,600 metric tonnes as compared to trade expectations between 50,000-125,000 MT. Oil sales were 7,600 metric tonnes as compared to trade expectations between 0-5,000. Domestically soymeal traded steady across domestic market and at ports on limited buying support and subdued export demand for Indian soymeal vis-à-vis Brazilian and Argentina soymeal. The FAS prices of soymeal at Kandla port stood at \$ 262-264 /MT. India's oilmeal export during April declined to 4.32 lakh MT from previous months exports of 7.55 lakh MT. Soymeal exports during same period dropped to 2.31 lakh MT from previous months exports of 5.46 lakh MT.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	02.06.07	01.06.07	Parity To
Indore (MP)	10,050	9900	Gujarat, MP
Shivpuri (MP)			UP, Bihar, WB, Nepal
Kota	9900-9950	9950	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	10,200	10,100-10,200	Andhra, AP, Kar, TN
Dhulia/Jalna			Mumbai Maharashtra
Nagpur (41/45)	10,000-10,100	9,950-10,000	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	10,200	10,100	Local and South

Solapur			Local and South
Dharwar		-	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	02.06.07	01.06.07
Kandla	10,500	10,400-10,450
Jamnagar		
Mumbai	10,400	-

Current vessel positions in different ports: -

Kandla port: -

Current vessel status unavailable.

Mumbai port: -

Vessel **Badulu Valley** was expected to arrive on 04.06.07. It would load 3400 MT of SBM. Sai Freight 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	Dest-Nation
Vizag	Tan Binh	8600	Berthed	
Mumbai	Badulu Valley	3400	Expected	

Rape/ Mustard Meal: -

For most of the time, expeller oil tracked global cues and moved in tandem with soy complex. Lower availability of seeds for this season means lower crushing of seeds and hence lower availability of expeller oils for domestic consumption for ensuing months. With around 7 lakh MT of seeds in stock with NAFED, it stated to import more soy and palm oil on demand basis to meet domestic requirements across different states through state cooperatives. Following which the demand for rape seed meal is likely to be affected in short to medium term, RAP oil cake prices traded steady at Rs 6600-6650 per MT. The DOC prices at Kandla were quoted at Rs 5400/MT. As per official release of oilmeal export data SOPA, India's

oilmeal export during April declined to 4.32 lakh MT from previous months exports of 7.55 lakh MT. Rapeseed meal export during April declined to 1.08

lakh MT from previous months exports of 1.24 lakh MT. China bought the maximum of 65,175 MT followed by South Korea 26,825.

Groundnut DOC: -

Groundnut meals demand also remained sluggish both at ports and domestically. As current groundnut oil prices are high and likely to improve further on limited nuts stocks, traders are expecting nut acreage to improve by 5-6% in upcoming Kharif season but plantation conditions mostly depends upon cotton plantation status, which is better crop in returns over groundnut and areas is seen up at 5.5 million hectares against 3.8 million hectare last year thanks to smooth availability of cotton seeds, particularly Bt varieties. In Rajkot market groundnut oil prices traded between Rs. 670-685 per 10 kg during the week.

Traders are expecting groundnut oil is likely to trade in bullish tone amidst limited oil stocks in physical market with poor realization cost but upside movement would be in control of refined cottonseeds oil. Rates for groundnut DOC stood range bound at Rs 7700 to 8200 /MT for 40% oil content whereas groundnut extract 45% was being sold at Rs 11,000 per MT. 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 01.

Month	Open	High	Low	Close	Chg
July 07	217.0	221.8	217.0	221.4	+4.5
August 07	218.8	223.0	218.8	222.4	+3.3

Monsoon Outlook (02.06.07)

Chief Features:

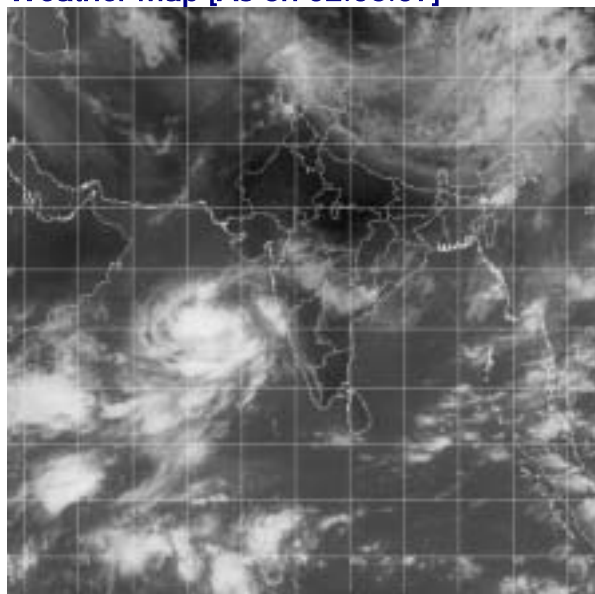
- Yesterday's well-marked low-pressure area over east-central Arabian Sea has intensified into a deep depression and lay centred at 0830 hrs. IST of today, the 2nd June 2007 near lat. 15.0 °N and long. 67.5°E about 700 kms southwest of Mumbai. The system is likely to intensify further and move slowly in a west-northwesterly direction. It is not likely to affect Indian coast.
- An offshore trough extends from the center of deep depression over east-central Arabian Sea to southeast Arabian Sea. Under its influence, scattered rain/thundershowers likely along the west coast during next 48 hrs.
- Scattered to fairly widespread rainfall activity is likely to continue over northeastern States during next 3 days.

Outlook for subsequent two days from 0830 hours IST of 5th of June, 2007 (Based on numerical weather products):

- Fairly widespread rainfall activity likely over northeastern states.

Source: GOI (IMD)

Weather Map [As on 02.06.07]



Source-IMD

FOREX RATE AS ON 02.06.07

Country/Continent	Currency	Value in Rupees
USA	Dollar	40.54
European Union	Euro	54.52
Japan	100 Yen	33.20
United Kingdom	GBP	80.29

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