

OILMEAL

08th August, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal and rapeseed meal prices reflect steady to weak market sentiments.

DOMESTIC MARKET

Soy meal

Prices of soymeal stood steady in Indore on steady demand and weak cues from CBOT. Prices plunged at ports with little trade activity reported in Mumbai port. Soymeal DOC at Kandla port stood at Rs 10,700 /MT. Better prospects of monsoon rains are likely to enhance soybean production for kharif 2007. At CBOT, Good rains by weekend with outlook of higher production prospects for soybean kept the sellers active during trading session. Good deliveries of soybean coupled with weak energy markets dragged down the soy futures. Weekly export inspections came in at 10.5 million bushels as compared with trade expectations of 5-10 million bushels. Deliveries for August soybeans remain high this deep into August with another 2,050 contracts this morning. Oil deliveries were 1,499 contracts with meal at 171. The Solvent Extractors' Association of India has just compiled the data for export of oil meals for the month of July 2007 and reported at 140,175 tons compared to 179,950 tons in July last year i.e. down by 22% . The overall export of oil meals for the period April 2007 to July 2007 is reported at 956,775 tons compared to 1,055,150 tons i.e. down by 9% due to in **decrease in export of soybean meal from 685,425 tons to 491,600 tons** and groundnut meal from 43,100 ton to 4,775 tons in first four months of current year due to failure of groundnut crop.

Soybean DOC: - rates at different centers

| Places | Ex-factory rates (Rs/ton) | | |
|---------------|---------------------------|---------------|---------------------------------|
| | 07.08.07 | 06.08.07 | Parity To |
| Indore (MP) | 10,300 | 10,300-10,400 | Gujarat, MP |
| Shivpuri (MP) | 10,500 | 10,500-10,600 | UP, Bihar, WB, Nepal |
| Kota | 10,200-10,300 | 10,450 | Rajasthan, Del, Punjab, Haryana |
| Nanded/Latur | | | Andhra, AP, Kar, TN |
| Dhulia/Jalna | | | Mumbai Maharashtra |

| | | | |
|----------------|---------------|---------------|--|
| Nagpur (41/45) | 10,500 | 10,550-10,650 | CG, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Sangli | 10,600-10,700 | 10,800 | Local and South |
| Solapur | | | Local and South |
| Dharwar | | | Karnataka, Tamil Nadu |

DOC Port rate at different centers

| Centers | FOR Price (Buy price) | |
|---------|-----------------------|----------|
| | 07.08.07 | 06.08.07 |
| Kandla | 10,700 | 10,900 |
| Mumbai | NA | NA |

Current vessel positions in different ports: -

No vessel carrying SBM reported at Kandla and Vizag port

Current Vessel Position: -

| Ports | Vessels | Vol. (MT) | Status | Desti-Nation |
|-------|---------|-----------|--------|--------------|
| - | - | - | - | - |

Rape/ Mustard Meal: -

Amidst steady to slightly weak spot market sentiments for mustard complex, the prices of rapeseed expeller meal eased marginally to Rs 6600/MT on Tuesday. However, the traders believe that weakness would be short lived. The DOC prices at Kandla were quoted at Rs 5600-5800/MT. Local DOC sold at Rs 5200-5400/MT in Rajasthan. As per Solvent Extractors Association of India's press release, during the period of April-July 2007, Vietnam imported **24,975 tons of rapeseed meal**. South Korea imported **134,825 tons of rapeseed meal**. Japan imported 2,500 tons of rapeseed meal. China reduced the import from India due to better local crushing and imported only 65,175 tons of rapeseed meal during April to July 2007.

Groundnut DOC: -

Spot prices of groundnut oil continued to soften and touched Rs 762/10kg mark in Rajkot on good consolidation in prices of oilseeds and oil meals. As per government latest figures, despite slow monsoon progress groundnut sowing is rapidly completed in 3.9 million hectares as on July 27th against 3.35 million hectares last week and 3.46 million hectares last year. The agriculture minister has recently announced the groundnut sowing is completed in Andhra Pradesh. In Gujarat alone groundnut sowing is completed in 1.6 million hectares as compared to 1.5 million hectares last year whereas in South India (mainly Tamil Nadu, Andhra Pradesh and Karnataka) sowing is completed in 2 million hectares. Amidst

lower crushing and steady demand the rates for groundnut DOC stood steady at Rs 7500 to 8200 /MT for 40% and 45% oil content respectively. The Solvent Extractors' Association of India has just compiled the data for export of oil meals for the month of July 2007 and reported at 140,175 tons compared to 179,950 tons in July last year i.e. down by 22% . The overall export of oil meals for the period April 2007 to July 2007 is reported at 956,775 tons compared to 1,055,150 tons i.e. down by 9% due to in decreased in export of soybean meal from 685,425 tons to 491,600 tons and **groundnut meal from 43,100 ton to 4,775 tons** in first four months of current year due to failure of groundnut crop.

CBOT Soy Meal Futures as on August 06.

| Month | Open | High | Low | Close | Chg |
|--------|-------|-------|-------|-------|------|
| Aug 07 | 218.5 | 220.7 | 216.2 | 220.7 | -1.5 |
| Sep 07 | 220.0 | 222.8 | 218.0 | 222.5 | -1.4 |

Monsoon Outlook (07.08.07)

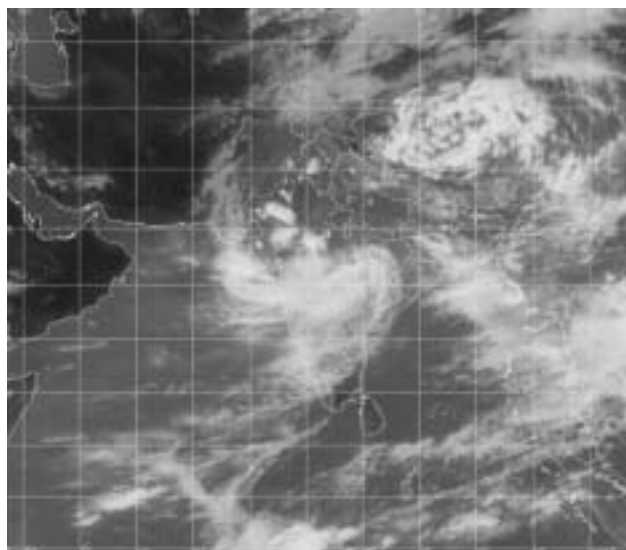
Chief Features:

- The depression over Chhattisgarh moved west-northwestwards and lay centred at 1430 hrs. IST of today, 7th August 2007 over East Madhya Pradesh, about 50 km southeast of Mandla. The system is likely to continue to move in a west-northwesterly direction and weaken further.
- Under its influence, widespread rainfall with scattered heavy to very heavy falls and isolated extremely heavy falls (>25cm) are likely over South Madhya Pradesh & Vidarbha till tomorrow and decrease thereafter. Isolated heavy to very heavy falls are also likely over Chhattisgarh and Marathwada during next 24 hours only.
- Enhanced rainfall activity with scattered heavy to very heavy falls and isolated extremely heavy falls (>25cm) is likely over Gujarat state, Konkan & Goa (including Mumbai) and Madhya Maharashtra till 9th and decrease thereafter. Fairly widespread rainfall with isolated heavy to very heavy falls is also likely over south Rajasthan during the same period.
- The axis of the monsoon trough passes through Phalodi, Kota, centre of depression, Puri and thence eastwards to east-central Bay of Bengal

Outlook for subsequent two days from 0830 hours IST of 10th of August, 2007 (Based on numerical weather products):

- A low pressure area is likely to form over north Bay of Bengal around 10th August, which may

Weather Map [As on 07.08.07]



Source-IMD

FOREX RATE AS ON 07.08.07

| Country/Continent | Currency | Value in Rupees |
|-------------------|----------|-----------------|
| USA | Dollar | 40.37 |
| European Union | Euro | 55.73 |
| Japan | 100 Yen | 33.99 |
| United Kingdom | GBP | 81.97 |

subsequently increase rainfall over Orissa and north Andhra Pradesh.

- Decrease in rainfall activity over west coast and Gujarat.

Source: GOI (IMD)

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