

## OILMEAL

10<sup>th</sup> August, 2007

### MAJOR ACTIVITY HIGHLIGHTS

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

### DOMESTIC MARKET

#### Soy meal

Tracking firm cues from CBOT for second consecutive day, the soymeal prices firmed up further on Wednesday. With monsoon resuming over Central India, traders are looking for good export market for soymeal on expectation of bumper crop this season and good export enquiries for November and December shipments through Chicago. At CBOT, short covering and new buying helped soy futures settle up. Soybean crop in US is in pod setting stage and continued outlook of dry weather is seen as detrimental for soybean production. Brazil government officials revised the production forecast for the 2006/2007 soybean crop to a record 58.4 million tonnes from 58.0 million in the July projection. As per CBOT, for the USDA Crop Production report to be released on Friday, the average trade estimate for soybean production stood at 2.655 billion bushels as compared with the July USDA estimate of 2.625 billion bushels and last year's production at 3.188 billion. 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..

#### Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	09.08.07	08.08.07	Parity To
Indore (MP)	10,500-10,600	10,400-10,450	Gujarat, MP
Shivpuri (MP)	NA	10,800-10,900	UP, Bihar, WB, Nepal
Kota	10,400-10,450	10,400	Rajasthan, Del, Punjab, Haryana
Nanded/Latur			Andhra, AP, Kar, TN

Dhulia/Jalna			Mumbai Maharashtra
Nagpur (41/45)	10,650	10,500	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	10,800-10,900	10,700	Local and South
Solapur			Local and South
Dharwar			Karnataka, Tamil Nadu

#### DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	09.08.07	08.08.07
Kandla	10,900	10,800-10,850
Mumbai	11,000	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 spot market sentiments for mustard complex, the prices of rapeseed expeller meal too stood steady at Rs 6500/MT on Wednesday. The DOC prices at Kandla were quoted at Rs 5300-5400/MT. Local DOC sold at Rs 5100-5200/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 777/10kg mark in Rajkot on slightly firm demand for edible oils well before start of festive season. 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 08.

Month	Open	High	Low	Close	Chg
Aug 07	227.8	230.3	227.8	230.3	+4.3
Sep 07	229.5	232.3	229.5	232.1	+4.5

### Monsoon Outlook (09.08.07)

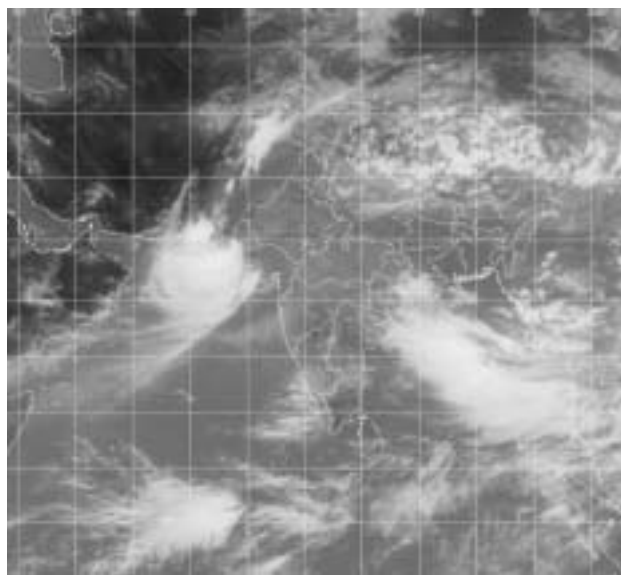
#### Chief Features:

- Yesterday's well marked low pressure area over West Madhya Pradesh & neighbourhood now lies as a low pressure area over Kutch area and adjoining south Rajasthan. Under its influence, widespread rainfall with scattered heavy to very heavy falls are likely over Saurashtra & Kutch till tomorrow and decrease thereafter.
- The current meteorological analysis suggests northward shift of western end of the monsoon trough from tomorrow onwards. Consequently, the rainfall activity is likely to remain subdued over many parts of central & interior peninsular India and northeastern States.
- The axis of the monsoon trough at sea level passes through the centre of the low pressure area, Sawai Madhopur, Gwalior, Allahabad, Hazaribagh, Shantiniketan, Kolkata and thence southeastwards to north-east Bay of Bengal
- low pressure area is likely to form over north Bay of Bengal by tomorrow, which may subsequently increase the rainfall activity over Orissa, Gangetic West Bengal and Jharkhand.

#### Outlook for subsequent two days from 0830 hours IST of 12<sup>th</sup> of August, 2007 (Based on numerical weather products):

- Fairly widespread rainfall is likely over east India.
- Scattered rainfall activity is likely over Western Himalayan region and adjoining plains of northwest India

### Weather Map [As on 09.08.07]



Source-IMD

### FOREX RATE AS ON 09.08.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.40
European Union	Euro	55.77
Japan	100 Yen	33.78
United Kingdom	GBP	82.32

- Subdued rainfall activity is likely over remaining parts of the country.

Source: GOI (IMD)

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