

OILMEAL

22nd August, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy & rapeseed meal reflect steady to slightly firm market sentiments.

DOMESTIC MARKET

Soy meal

The FAS prices of Soy DOC at Kandla port stood at \$ 272-275/MT. Prices of soymeal stood steady during second consecutive day on lack of fresh fundamentals and slightly firm soy futures at CBOT. Port delivery rates too remained range bound. Lower price levels are attractive for millers to continue replenishing their stocks and meet futures export demand through Chicago. Prices are likely to trade steady for short term. At CBOT, good rains in North Corn Belt and some over central Midwest by end of week is seen supportive for better yield prospects. However, outlook of heavy rains in some regions is seen detrimental for soybean yield. Weekly export inspections, released during the session, came in at 9.095 million bushels as compared with trade expectations for 4-10 million. As per the Solvent Extractors' Association of India the export of oil meals for the month of July 2007 was 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) | | |
|----------------|---------------------------|---------------|--|
| | 21.08.07 | 20.08.07 | Parity To |
| Indore (MP) | 10,600 | 10,600 | Gujarat, MP |
| Shivpuri (MP) | 10,500 | 10,500 | UP, Bihar, WB, Nepal |
| Kota | 10,450-10,550 | 10,450-10,500 | Rajasthan, Del, Punjab, Haryana |
| Nanded/Latur | 10,800 | 10,800 | Andhra, AP, Kar, TN |
| Dhulia/Jalna | 10,900-11,000 | 11,000 | Mumbai Maharashtra |
| Nagpur (41/45) | 10,750-10,800 | 10,800-10,850 | CG, Orissa, Bihar, Bangladesh, AP, Kar, TN |

| | | | |
|---------|----|----|-----------------------|
| Sangli | NA | NA | Local and South |
| Solapur | | | Local and South |
| Dharwar | | | Karnataka, Tamil Nadu |

DOC Port rate at different centers

| Centers | FOR Price (Buy price) | |
|---------|-----------------------|---------------|
| | 21.08.07 | 20.08.07 |
| Kandla | 11,000-11,100 | 11,000 |
| Mumbai | 11,100 | 11,000-11,100 |

Current vessel positions in different ports: -

No vessel carrying SBM reported at Kandla and Vizag port

Mumbai: - Vessel Splendor-VI was expected to load 5000 MT of SBM. Chowgule agent would handle the vessel. It would load 5,000 MT of SBM.

Kandla: - Vessel M.V Noshiro III is expected to arrive on 19.08.07. It would load 10,500 MT of RSM. InterOcean agent is handling the vessel.

Current Vessel Position: -

| Ports | Vessels | Vol. (MT) | Status | Destination |
|--------|-------------|-----------|----------|-------------|
| Mumbai | Splendor-VI | 5,000 | Expected | |
| Kandla | Noshiro-III | 10,500 | Expected | |

Rape/ Mustard Meal: -

The prices of RAP DOC local at Kandla port stood at \$ 135-136/MT on Tuesday. RAP DOC local was quoted at Rs 5350/MT. The RAPE OIL CAKE at Mehsana was quoted at Rs 7000/MT. Prices of MUSTARD OIL CAKE at Jaipur stood steady at Rs 6800/MT. 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 softened marginally at Rs 780/10kg in Rajkot [Tuesday] on continued weak sentiments for edible oils across domestic markets. Prices of groundnut DOC were unavailable. 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 20.

| Month | Open | High | Low | Close | Chg |
|--------|-------|-------|-------|-------|------|
| Sep 07 | 218.5 | 221.2 | 217.5 | 220.4 | +1.6 |
| Oct 07 | 221.0 | 223.2 | 219.8 | 222.9 | +0.9 |

Monsoon Outlook (21.08.07)

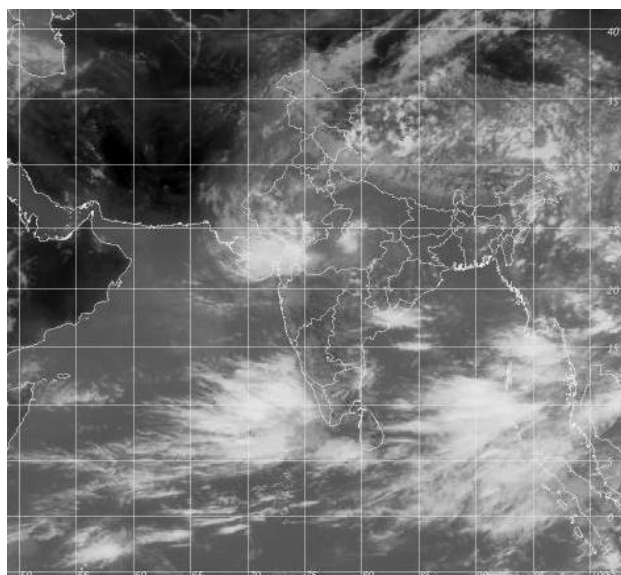
Chief Features:

- Yesterday's low pressure area over north Chhattisgarh and neighbourhood now lies over East Madhya Pradesh and neighbourhood.
- Under its influence widespread rainfall with scattered heavy to very heavy fall is likely over West Madhya Pradesh and Gujarat region during next 48 hours and decrease thereafter. Fairly widespread rainfall with isolated heavy to very heavy rainfall is also likely over East Madhya Pradesh during next 24 hours and over Saurashtra & Kutch and south Rajasthan during next 48 hours.
- Under the influence of an off-shore trough, fairly widespread rainfall with isolated heavy to very heavy falls is likely over Konkan & Goa, Coastal Karnataka and Kerala during next 2-3 days.
- The axis of the monsoon trough passes through Phalodi, Guna, centre of low pressure area, Chaibasa, Balasore and thence southeastwards to eastcentral Bay of Bengal.

Outlook for subsequent two days from 0830 hours IST of 24th of August, 2007 (Based on numerical weather products):

- Decrease in rainfall activity is likely over Gujarat and Rajasthan and further decrease is likely over Madhya Pradesh.
- Scattered rainfall activity likely over the plains of northwest India and southeast peninsula.

Weather Map [As on 21.08.07]



Source-IMD

FOREX RATE AS ON 21.08.07

| Country/Continent | Currency | Value in Rupees |
|-------------------|----------|-----------------|
| USA | Dollar | 41.06 |
| European Union | Euro | 55.34 |
| Japan | 100 Yen | 35.80 |
| United Kingdom | GBP | 81.41 |

Source: GOI (IMD)

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