

OILMEAL

22nd October, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects firm sentiments.

DOMESTIC MARKET

Soy meal

Soymeal witnessed steady to weak sentiment during the Saturday's trade on weak international market as well as thin trading activity across the market on Dusshera. However, sources reported that due earlier commitments of meal export for Nov-Dec shipments millers and crushers are continuously buying beans which are seen restricting the downside in soybean prices and consequently boosting the soymeal prices. Expectations of higher export of soymeal in 2007-08 season following lower crop in US and China, also aided to the bullishness. At CBOT, amidst sharp drop in the stock market coupled with weakness in energy and metals and an overbought technical condition witnessed increased selling pressure. Also exchange raised the initial margin from \$675 to \$1080 also aided to the bearish tone. Forecast of widespread rains over the drier Northern growing areas of Brazil added to the bearish tone. Meanwhile, the chief economist for the USDA presented projections to the House Agriculture Committee on Friday that the planted area for soybean for 2008-09 season would be around 70 million acres from 63.7 million acres this year. Some traders considered this news as negative but ending stocks were pegged at 210 million bushels from 215 million this season. Informa Economics pegged planted area at 71.7 million acres for next year.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	20.10.07	19.10.07	Parity To
Indore (MP)	12,900	12,800	Gujarat, MP
Shivpuri (MP)	-	-	UP, Bihar, WB, Nepal
Kota	12,400	12,400	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	12,600 / 13,100	12,600 / 13,100	Andhra, AP, Kar, TN
Dhulia/Jalna	13,400	13,400	Mumbai Maharashtra
Nagpur (41/45)	12,300-12,600	12,200-12,500	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	13,500	13,500	Local and South
Solapur	-	-	Local and South
Dharwar	13,400	13,500	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	20.10.07	19.10.07
Kandla	13,700-13,800	13,800-13,900
Mumbai	NA	NA

Current vessel positions in different ports: -

Kandla: -

Vessel **MV Pulau Cebu** was expected to arrive on 13.10.07. It would load 10,500 MT of SBM. Taipan agent is handling the vessel.

Vessel **MV Asha Manan** was expected to arrive on 14.10.07. It would load 15,000 MT of SBM+CSM. Taurus agent is handling the vessel.

Vessel **MV Poseidon** was expected to arrive on 19.09.07. It would load 11,000 MT of SBM. Taurus agent is handling the vessel.

Vessel **Iran Broojerdi** has berthed on 02.10.07. It would load 14,500 MT of SBM/RSM. Taurus agent is handling the vessel.

MV. **Hazel Ace** has berthed on 30.09.07. It would load 8,400 MT of SBM. Taurus agent is handling the vessel.

Rape/ Mustard Meal: -

Prices of mustard oil cake at Jaipur declined from the Friday's level of Rs 7570-7575/MT to 7620-7625/MT on news report that the govt. on Friday directed NAFED to sell 5,000 tonnes of rapeseed for next 20 days ahead to festivities. NAFED is likely to sell around 2,00,000 tonnes of Mustard during the period. However, good physical demand and announcement of higher MSP by the Center is seen limiting the downside. As per Solvent Extractors Association of India's around 3,90,050 MT of rapeseed DOC was exported during April-September 2007 period compared to 4,51,075 MT corresponding period last. During September month 68,175 tons was exported compared to the 92,775 tons in corresponding period last year.

Groundnut DOC: -

Spot prices of groundnut oil firmed up from the Friday's level of Rs 628-629/10 Kg to Rs 632-634/10 Kg on good physical demand ahead of festivities against restricted arrivals on Saturday. Expectation export opportunity also lent support to the prices. Millers are eyeing for exports opportunity of groundnut complex due to lower crop / crop failure in Brazil, America and China, which may boost the sentiment. Meanwhile, sources revealed that many mills start crushing in Saurashtra region, while some mills start crushing after Dusshera. Prices of

groundnut DOC stood steady at Saturday's level of 10,200-10,300/MT. The Solvent Extractors' Association of India has just compiled the data for export of oil meals for the month of September 2007 and reported at 7,500 tons compared to 5,000 tons compared to corresponding period last year. During April to September 2007, around 12,275 MT of groundnut meal was exported compared to 4,775 MT of groundnut meal in April-August 2007 period. No exports were witnessed for the month of July and August 2007.

CBOT Soy Meal Futures as on October 20 [Open Auction]

Month	Open	High	Low	Close	Chg
Dec 07	278.00	278.00	273.20	276.30	-1.80
Jan 07	279.30	280.00	275.50	279.40	-1.00

Monsoon Outlook (20.10.07)

Chief Features:

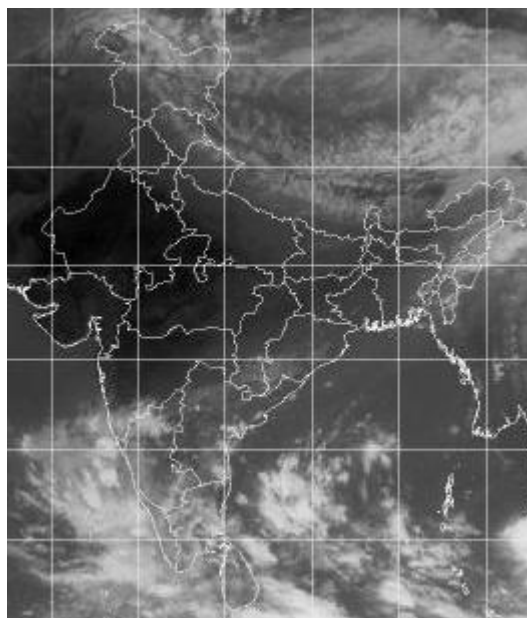
- Commencement of northeast Monsoon rainfall is likely over Tamil Nadu and adjoining states during 2-3 days.
- Numerical weather prediction models suggests formation of a low pressure area over southeast and adjoining east central Bay of Bengal around 25th.
- Under the influence of active east-west shear zone scattered to fairly widespread rainfall activity is likely to continue over south peninsula with isolated heavy to very heavy falls over south Tamil Nadu, Kerala and south coastal Karnataka during next 3-4 days.

Outlook for subsequent two days from 0830 hours IST of 23rd of October 2007 (Based on numerical weather products):

- Widespread rainfall activity over extreme south peninsula is likely to continue.

Source: GOI (IMD)

Weather Map [As on 20.10.07]



Source-IMD

FOREX RATE AS ON 20.10.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.79
European Union	Euro	56.87
Japan	100 Yen	34.60
United Kingdom	GBP	81.41

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