

OILMEAL

16th October, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects steady to firm sentiments.

DOMESTIC MARKET

Soy meal

Soymeal prices witnessed steady to firm sentiment during the Monday's trade on firm soybean prices and expectation of higher soymeal exports. Firmness in soybean prices also lent support to the soymeal prices. Higher soymeal export commitment is also seen supporting the sentiment. Sources revealed that around 6,00,000 lakh tonnes of soymeal is likely to be exported by Dec'07. Further, prospects of higher meal exports particularly soymeal in oilmeal marketing year 2007-08 on the back of bumper production in the country and lower crop in US and China further supported the sentiment. In USDA report, US soybeans production is expecting at 2,598 billion bushels against average trades estimation at 2.648 billion bushels and 2.619 billion bushels in September. Harvested acres were revised lower by 500,000 acres. Ending stocks totaled at 215 million bushels against trade expectation of 229 million bushels and 215 billion bushels in September projection. Inspection over weekly USDA report, highlighted soybeans sales stood at 550,100 tonnes from trades expectation between 600,000-900,000 tonnes. Meals sales totaled at 266,700 tonnes from trades expectation between 50,000-150,000 tonnes and soy oil stood at 8,200 tonnes from trades expectation between 5,000-15,000 tonnes.

Soybean DOC: - rates at different centers

| Places | Ex-factory rates (Rs/ton) | | |
|----------------|---------------------------|-----------------|--|
| | 15.10.07 | 13.10.07 | Parity To |
| Indore (MP) | 12,800 | 12,700 | Gujarat, MP |
| Shivpuri (MP) | - | - | UP, Bihar, WB, Nepal |
| Kota | 12,500 | 12,500 | Rajasthan, Del, Punjab, Haryana |
| Nanded/Latur | 12,600 / 12,800 | 12,600 / 12,800 | Andhra, AP, Kar, TN |
| Dhulia/Jalna | 13,200 | 13,000 | Mumbai Maharashtra |
| Nagpur (41/45) | 12,100-12,300 | 12,200-12,500 | CG, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Sangli | 13,400 | 13,400 | Local and South |
| Solapur | | - | Local and South |
| Dharwar | 12,800 | 12,800 | Karnataka, Tamil Nadu |

DOC Port rate at different centers

| Centers | FOR Price (Buy price) | |
|---------|-----------------------|---------------|
| | 15.10.07 | 13.10.07 |
| Kandla | 13,400-13,600 | 13,500-13,600 |
| 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 improved from the Saturday's level of Rs 7220-7370/MT to Rs 7410-20/MT amidst improved sentiments in mustard seed and oil on the back of higher MSP announced by the Center and improved demand ahead of festival besides sowing demand. 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 declined from Saturday's level of Rs 673-674/10 Kg to Rs 638-639/10 Kg on increased arrival against mild demand in Rajkot. The main hub of groundnut Saurashtra, witnessing arrivals of around 1,00,000 bags (1 bag = 35 Kg), which weighing heavily on prices despite festivals. However, 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 compare 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 15 [Open Auction]

| Month | Open | High | Low | Close | Chg |
|--------|--------|--------|--------|--------|------|
| Oct 07 | 276.00 | 276.00 | 272.00 | 272.00 | +0.5 |
| Dec07 | 281.50 | 283.00 | 276.00 | 278.10 | +0.8 |

Monsoon Outlook (15.10.07)

Chief Features:

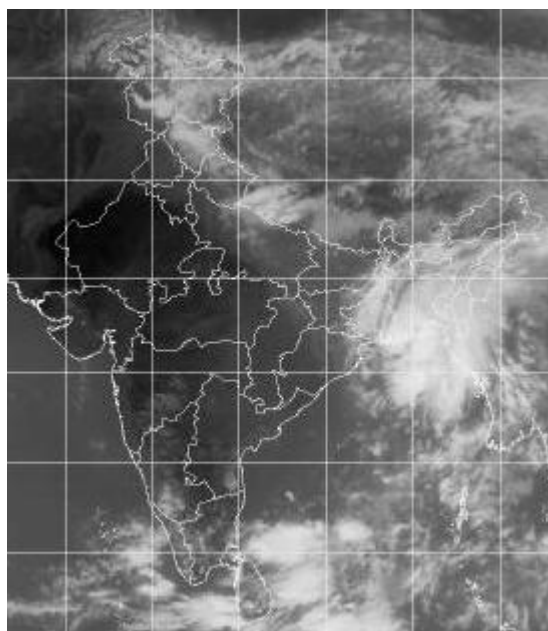
- A low pressure area has formed over North Bay of Bengal off Bangladesh-West Bengal coast. Under its influence, fairly widespread rainfall with isolated heavy to very heavy falls is likely over North-eastern States, West Bengal & Sikkim and North Orissa during next 2-3 days.
- Southwest monsoon has further withdrawn from some more parts of Chhattisgarh, most parts of Maharashtra and some parts of Telangana and north Interior Karnataka.
- Withdrawal line passes through Forbesganj, Bankura, Angul, Jagdalpur, Ramagundam, Nizamabad, Gulbarga, Bijapur, Vengurla, Lat.16.0N/Long.70.0 E, Lat.16.0 N/Long.65.0 E, Lat.16.0 N/Long.60 E.
- The current scenario suggests that minimum temperatures are likely to remain below normal by 2-3 °C over many parts of northwest & central India during next 2-3 days.

Outlook for subsequent two days from 0830 hours IST of 18th of October 2007 (Based on numerical weather products):

- Decrease in rainfall activity is likely over northeastern states and East India.
- Scattered rainfall activity is likely to continue over extreme south peninsula.

Source: GOI (IMD)

Weather Map [As on 15.10.07]



Source-IMD

FOREX RATE AS ON 15.10.07

| Country/Continent | Currency | Value in Rupees |
|-------------------|----------|-----------------|
| USA | Dollar | 39.33 |
| European Union | Euro | 55.74 |
| Japan | 100 Yen | 33.54 |
| United Kingdom | GBP | 79.74 |

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