

OILMEAL

01-06 Oct, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments reflected steady tone.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 52,500 MT resulted as increases for Japan (26,900 MT), the Philippines (24,600 MT), and Morocco (15,700 MT, including 15,000 MT switched from unknown destinations), were partially offset by decreases for unknown destinations (22,600 MT) and Guatemala (8,400 MT). Net sales of 135,900 MT for delivery in 2007/08 (which began Oct. 1) were primarily for Canada (34,800 MT), the Dominican

Republic (31,500 MT), unknown destinations (24,000 MT), Mexico (18,000 MT), and Indonesia (10,500 MT). Exports of 168,600 MT were 30 percent above the previous week and 51 percent over the prior 4-week average. The major destinations were the Philippines (32,200 MT), Canada (29,000 MT), Japan (26,400 MT), Mexico (19,300 MT), and Venezuela (14,200 MT). Source: USDA.

Export of Oil meal (Extractions) from April '06 to August '07 with comparative period of previous year (Qty. in MT)

Month	S.B.EXT	R.S.EXT.	G.N.EXT	R.B.EXT.	S.F.EXT.	CST.EXT.	TOTAL
April 2006	316,925	53,425	12,400	5,650	---	10,825	399,225
	99,250	90,900	12,950	---	----	17,800	220,900
May 2006	140,075	77,400	18,525	4,750	---	15,575	256,325
	156,100	69,650	3,025	6,875	----	50,200	285,850
June 2006	108,975	79,900	12,175	11,000	---	7,600	219,650
	115,750	53,975	8,900	12,675	----	20,225	211,525
July 2006	119,450	49,500	---	11,000	---	---	179,950
	135,550	45,750	17,700	16,500	----	11,525	227,025
August 2006	111,075	98,075	---	29,500	---	15,350	254,000
	112,575	43,825	15,100	5,033	----	11,325	187,858
September 2006	179,475	92,775	5,000	32,850	---	14,225	324,325
	102,675	31,025	8,500	---	----	15,950	158,150
October 2006	219,500	74,000	---	21,950	---	17,175	332,625
	160,250	37,250	8,825	---	----	3,100	209,425
November 2006	457,450	68,250	3,200	21,900	---	32,450	583,250
	266,675	21,725	2,200	12,867	----	18,225	321,692
December 2006	506,300	63,500	14,250	18,550	---	24,075	626,675
	492,950	47,400	18,000	6,500	750	14,100	579,700
January 2007	505,975	91,650	5,000	24,925	---	18,900	646,450
	483,225	16,975	8,400	25,950	----	14,175	548,725
February 2007	449,975	97,650	---	18,500	---	26,650	592,775

	587,425	28,750	3,850	29,425	----	12,800	662,250
March 2007	546,700	124,600	13,100	51,700	---	19,350	755,450
	712,175	46,050	30,475	9,500	----	11,725	809,925
April 2007	250,775	108,375	4,500	33,200	---	36,100	432,950
	316,925	53,425	12,400	5,650	----	10,825	399,225
May 2007	110,050	74,225	---	6,050	---	39,700	230,025
	140,075	77,400	18,525	4,750	----	15,575	256,325
June 2007	64,075	51,825	275	16,025	---	21,425	153,625
	108,975	79,900	12,175	11,000	----	7,600	219,650
July 2007	66,700	46,075	----	11,650	---	15,750	140,175
	119,450	49,500	----	11,000	----	----	179,950
August 2007	47,225	41,375	----	12,275	---	21,975	122,850
	111,075	98,075	----	29,500	----	15,350	254,000
Total	538,825	321,875	4,775	79,200	---	134,950	1,079,625
	796,500	358,300	43,100	61,900	----	49,350	1,309,150
2006-2007(F.Y.)	3,661,875	970,725	83,650	252,275	---	202,175	5,170,700
2005-2006(F.Y.)	3,424,600	533,275	137,925	125,325	750	201,150	4,423,025
2004-2005(F.Y.)	1,861,325	588,805	121,475	43,056	4,790	70,750	2,690,201

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS [06.10.07]

CBOT Soy futures Settled Weak on Friday

November soybeans closed 13.75 cents down at \$345.36 per MT. January soybeans settled down 12.25 cents at \$352.70 per MT. December soy meal closed \$5.4 down at \$292.5 per MT. December soybean oil ended 0.15 down at \$860.22 per MT. Expectation of less tightness in supply-demand and Monday's weather forecast include favourable reports of rains over Brazil's growing areas "Matto Grosso" imparted bearishness. Early weakness in wheat and corn, advancing harvest with hint of rain for S. America's growing areas witnessed selling pressure. Further, weakness in palm oil and energy besides hefty deliveries of bean and

meal and higher soybean crop estimates aids some bearishness. Informa pegged soybean crop at 2.647 billion bushels, up 28 million bushels from the last months USDA estimate and marginally above the trade estimates. Yield was expected at 42.1 bushels/acre compared to 41.4 bushels/acre from the USDA last month report. However, there are some positive factors which may lent support such as wet condition in Iowa and Minnesota and expectations that the rain may spread in corn belt, which may hinder harvest coupled with expectation that USDA may lower its crop forecast for next week.

CBOT Soy Meal Futures as on 24-28 September 2007.

Month	Open	High	Low	Close	Chg
Oct 07	265.5	266.2	264.0	265.7	-0.4
Dec07	272.5	272.8	270.0	270.8	-1.0

CBOT Remains Close on Saturday and Sunday

Note: - Values in parentheses (#) are for Monday

DOMESTIC MARKETS

Soy meal

Soymeal prices traded steady initially on subdued trading activity and steady demand both at ports and domestically while slight improvement was observed towards the week end due to commitments of heavy exports and following firm sentiment in CBOT. Sources reveled that overseas demand for soymeal is good due to lower prices of meal as well as lower freight charges compared to US, Brazil and Argentina etc. Soymeal export deals already struck with Asian countries,

millers are procuring beans to meet targeted export volumes for shipments due November /December. Due to higher moisture percentage in fresh soybean prevented buying in bulk by millers amidst lower meal recovery. Rising feed demand in other Asian countries also supported the sentiment. In Indore, prices for meal quoted in the range of 12,200 - 12,500/MT. Port delivery prices quoted at Rs 13,100-13,300/MT.

Soy Meal Price Drivers-

- Lower soymeal exports in September.
- Commitments of higher exports of soymeal
- Harvest pressure of soybean in India and US.
- Higher carry over stock of US soybean as on 1st Sept [572.7 million bushels].

Outlook-

Short term (one week)

✍ Prices of meal are likely to trade steady to slightly firm.

DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		06.10.07	29.09.07
1.	Indore (MP)	12,200	12,500-12,550
2.	Shivpuri (MP)		-
3.	Kota	12,000-12,100	12,400-12,450
4.	Nanded/Latur	13,000-13,200	13,500
5.	Dhulia/Jalna	12,900-13,200	13,500
6.	Nagpur (41/45)	13,100	13,500-13,600
7.	Sangli		

Soy Meal Vessel Report (06.10.07)

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 stood steady at previous day levels of to Rs 7200-7220/MT. As per Solvent Extractors Association of India's press release, 41,375 MT of rapeseed DOC was exported during August against 46,075 MT last month. Rapeseed exports constituted around 34% of the total

oilmeals exported for August month. A total of 1, 22,850 MT was exported during August month a decline of 17,335 MT over last month. South Korea imported a maximum of 23,800 MT followed by Thailand at 14,850 MT.

Groundnut meal

Good crop conditions weak demand and poor trade activities pushed back groundnut complex in major trading centers. Kharif groundnut crop is in pegging stage in Karnataka, Maharashtra, AP where as pod/early maturity stage in Gujarat. Rainfed groundnut sowing is continues in Tamil Nadu. The prices of groundnut seeds for different qualities traded between Rs. 410-515 per 20kg in different market in Gujarat against Rs. 410-522 per 20 kg yesterday. In Rajkot market groundnut oil traded at Rs. 755 per 10 kg. On Friday, the prices of groundnut oil improved slightly on tracking firm sentiment in soybean and oil futures market. Steady to weak sentiment of other edible oils in

spot, however, limited the upside. Moving in tandem, the prices of groundnut seed stood steady to slightly weak at Rs 530/20 Kg. Spot prices of groundnut oil eased from the previous day's level of Rs 778/10kg to 753/10 Kg in Rajkot on steadily increasing arrivals of groundnut against subdued demand. Prices of groundnut DOC stood in the range of 13100-13300/MT. 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% .During April to August 2007, around 4,775 MT of groundnut meal was exported. No exports were witnessed for the month of July and August 2007.

Monsoon Outlook and salient features observed during the week.

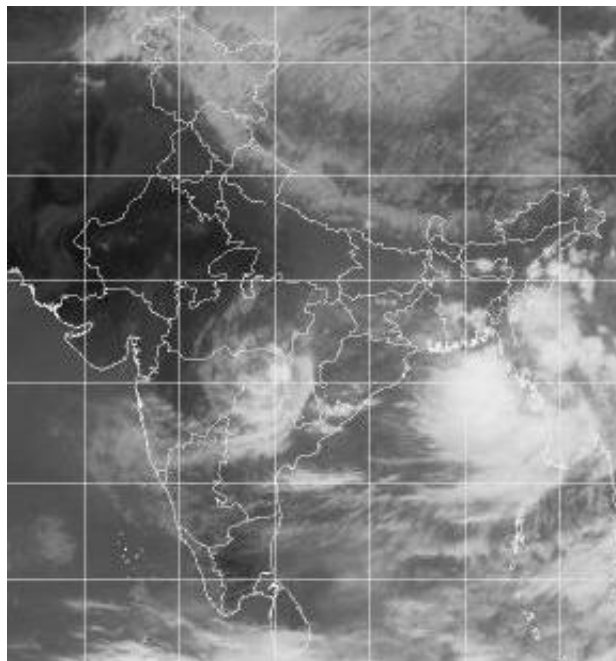
- Southwest monsoon withdrew from most parts of West Rajasthan and some parts of Punjab, Haryana, East Rajasthan and north Arabian Sea on 30th September 2007. It further withdrew from entire Jammu & Kashmir, Himachal Pradesh, Uttarakhand, remaining parts of Punjab, Haryana, Rajasthan, most parts of West Uttar Pradesh & Gujarat, some parts of East Uttar Pradesh & West Madhya Pradesh on 2nd October.
- Withdrawal line passed through Kheri, Kanpur, Lalitpur, Ujjain, Baroda, Porbander, Lat. 22.0°N/ Long. 65.0°E and Lat. 22.0°N/ Long. 60.0°E on 2nd October.
- An upper air cyclonic circulation extending upto mid-tropospheric levels lay over Gangetic West Bengal and neighbourhood on 27th, over Jharkhand and neighbourhood on 28th, over Bihar and neighbourhood on 29th & 30th, over Bihar and adjoining Sub-Himalayan West Bengal on 1st & 2nd October and over northeastern states on 3rd October.
- An upper air cyclonic circulation extending upto mid-tropospheric levels lay over coastal Andhra Pradesh & neighbourhood on 30th September, over West-Central Bay of Bengal off Coastal Andhra Pradesh during 1st - 3rd October.
- An upper air cyclonic circulation in the lower levels lay over North-East Arabian Sea and adjoining Coastal areas of Gujarat and Maharashtra coasts on 27th, over Madhya Maharashtra & neighbourhood on 28th, over Marthawada & neighbourhood on 29th and became less marked on 30th.
- An off-shore trough at mean sea level extended from South Gujarat coast to Karnataka coast on 27th and from Konkan coast to Karnataka coast on 28th & 29th September.
- Last week's upper air cyclonic circulation over West Uttar Pradesh and neighbourhood extending upto mid-tropospheric level persisted over the same region in the lower levels during 27th - 29th and became less marked on 30th.
- Last week's low pressure area over north Gujarat and adjoining southwest Madhya Pradesh became less marked on 27th. However, the associated upper air cyclonic circulation in the lower levels lay over the same region on 27th and became less marked on 28th.

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

- Southwest monsoon is likely to further withdraw from remaining parts of West Uttar Pradesh & Gujarat, some more parts of Madhya Pradesh and some parts of Maharashtra.
- Increase in rainfall activity is likely over Coastal Andhra Pradesh, Orissa, West Bengal & Sikkim and northeastern states.

Source: GOI (IMD)

Weather Map [As on 06.10.07]



Source: - IMD

Forex: -

Forex rate as on 06.10.07 and 29.09.07

Country/ Continent	Currency	Value in Rupees [06.10.07]	Value in Rupees [29.09.07]
USA	Dollar	39.49	39.74
European Union	Euro	55.76	56.56
Japan	100 Yen	33.88	34.59
United Kingdom	GBP	80.41	81.01

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