

## OILMEAL

15-20 Oct, 2007

### MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments reflected steady tone.

### NEWS ANALYSIS

#### Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 100,400 MT were down 62 percent from the prior week. Increases reported for Jamaica (14,400 MT), Mexico (13,400 MT), Indonesia (12,000 MT), and Morocco (10,000 MT), were partially offset by decreases for Colombia (6,200 MT) and the Dominican Republic (5,500 MT). Exports of 104,800

MT were 3 percent below the previous week and 18 percent under the prior 4-week average. The primary destinations were Mexico (32,100 MT), Canada (19,400 MT), the Dominican Republic (10,900 MT), Colombia (10,300 MT), and Guatemala (8,200 MT).  
Source: USDA

Export of Oil meal (Extractions) from April '06 to September '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
September 2007	236,450	68,175	7,500	12,275	---	28,400	352,800
	179,475	92,775	5,000	32,850	----	14,225	324,325
<b>Total</b>	775,275	390,050	12,275	91,475	---	163,350	1,432,425
	975,975	451,075	48,100	94,750	----	63,575	1,633,475
<b>2006-2007(F.Y.)</b>	3,661,875	970,725	83,650	252,275	---	202,175	5,170,700
<b>2005-2006(F.Y.)</b>	3,424,600	533,275	137,925	125,325	750	201,150	4,423,025
<b>2004-2005(F.Y.)</b>	1,861,325	588,805	121,475	43,056	4,790	70,750	2,690,201
<b>2003-2004(F.Y.)</b>	2,683,675	447,050	126,750	---	---	65,550	3,323,025

## FUNDAMENTAL ANALYSIS

### INTERNATIONAL MARKETS [20.10.07]

#### CBOT Soy futures Settled Weak on Friday

November soybeans closed 8.25 cents down at \$361.15 per MT. January soybeans settled down 9 cents at \$367.77 per MT. December soybean oil closed \$1.8 down at \$304.57 per MT. December soybean oil ended 0.43 down at \$893.94 per MT. 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.

#### CBOT Soy Meal Futures as on 20<sup>th</sup> October 2007.

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

CBOT Remains Close on Saturday and Sunday

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

## DOMESTIC MARKETS

### Soy meal

Soymeal prices steady to firm during the period on expectation of higher exports of soybean during oilmeal marketing year 2007-08 as well as earlier commitment of soybean exports. Soybean exports for 2007-08 oilmeal marketing year is likely to shot up by 4-4.5 MMT on the back of bumper crop this year as well as prospects of higher soybean exports due to worldwide shortage of oilmeal on the back of lower crop in US and China this year. Country already

entered into the forward contract of 1.3 mln tonnes of soybean from the fresh crop at prices above the previous years. Further, news reports that South Korea would import Indian soybean boosted the sentiment. Also lower freight charges compared to US, Brazil and Argentina etc attracting the overseas buyers. Soybean export deals already struck with Asian countries and millers are procuring beans to meet targeted export volumes for shipments due November /

December. Rising feed demand in other Asian countries also supported the sentiment. In Indore, prices for meal quoted in

the range of 12,700 - 13,500/MT. Port delivery prices quoted at Rs 13,500-13,800/MT.

#### Soy Meal Price Drivers-

- Lower soymeal exports in September.
- Earlier commitments of higher soymeal exports for Nov-Dec'07 shipments
- Prospects of higher soymeal export on lower crop in US and China
- Harvest pressure of soybean in India and US.
- Higher carry over stock of US soybean as on 1<sup>st</sup> 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)	
		20.10.07	13.10.07
1.	Indore (MP)	12,900	12,700
2.	Shivpuri (MP)	-	-
3.	Kota	12,400	12,500
4.	Nanded/Latur	12,600 / 13,100	12,600/12,800
5.	Dhulia/Jalna	13,400	13,000
6.	Nagpur (41/45)	12,300-12,600	12,200-12,500
7.	Sangli	13,500	13,400

#### Soy Meal Vessel Report (20.10.07)

Current vessel positions in different ports: -

##### Kandla: -

Vessel **MV Pulau Cebu** has berthed 15.10.07. It would load 10,500 MT of SBM. Taurus agent is handling the vessel.

Vessel **MV Wakasa** has berthed 19.10.07. It would load 10,500 MT of SBM. Taurus agent is handling the vessel.

Vessel **MV Asha Manan** has berthed on 18.10.07. 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.

##### Mumbai:-

Vessel **Badulu valley - VI** was expected to arrive on 25.10.07. It would load 3400 MT of SBM. Sai Freight P. Ltd. is handling the vessel.

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 meal

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

#### 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

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.

### Monsoon Outlook and salient features observed during the week.

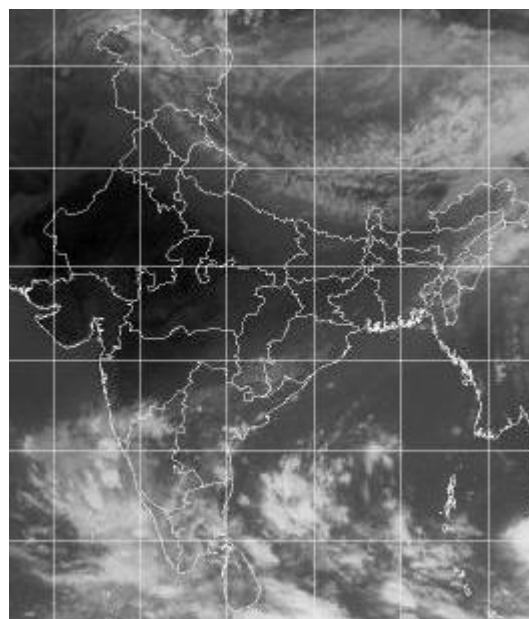
- Southwest monsoon further withdrew from more parts of Bihar, Jharkhand, Chhattisgarh, Maharashtra and some parts of Gangetic West Bengal and Orissa on 12th October. It further withdrew from some more parts of Chhattisgarh, most parts of Maharashtra and some parts of Telangana and north Interior Karnataka on 15th October.
- The withdrawal line passed through Forbesganj, Bankura, Angul, Jagdalpur, Ramagundam, Nizamabad, Gulbarga, Bijapur, Vengurla, Lat. 16.0°N/ Long. 70.0°E, Lat. 16.0°N/ Long. 65.0°E and Lat. 16.0°N/Long. 60.0°E on 15th October.
- Last week's upper air cyclonic circulation extending upto 3.1 km above mean sea level over Bangladesh & neighbourhood lay over Gangetic West Bengal & neighbourhood on 11th, over Gangetic West Bengal and adjoining Jharkhand extending upto 4.5 km a.s.l. on 12th, over Jharkhand and neighbourhood between 2.1 and 4.5 km a.s.l. on 13th and became less marked on 14th October.
- Last week's upper air cyclonic circulation extending upto 3.1 km a.s.l. over South-West Bay of Bengal off Tamil Nadu coast lay over Tamil Nadu & neighbourhood extending upto 0.9 km above mean sea level on 11th and became less marked on 12th.
- An upper air cyclonic circulation extending upto 1.5 km a.s.l. lay over North-West Bay of Bengal off north Orissa and West Bengal coasts on 13th & 14th. Under its influence, a low pressure area formed over north Bay of Bengal off Bangladesh-West Bengal coast on 15th. It lay over north Bay of Bengal & neighbourhood on 16th morning and became less marked on the same day evening. However, the associated upper air cyclonic circulation extending upto 3.6 km a.s.l. lay over the same area on 16th and became less marked on 17th October.
- An upper air cyclonic circulation extending upto 2.1 km a.s.l. lay over northeastern states on 11th and moved away eastwards on 12th October.
- An upper air cyclonic circulation extending upto 4.5 km a.s.l. lay over west central Bay of Bengal on 14th, over southwest Bay of Bengal off Tamil Nadu coast on 15th and became less marked on 16th October.

### Outlook for subsequent two days from 0830 hours IST of 24<sup>th</sup> of October 2007 (Based on numerical weather products):

- Southwest monsoon is likely to withdraw from northeastern States and the remaining parts of East & Central India and Maharashtra during middle of the week.
- Northeast Monsoon rain is likely to commence over Tamil Nadu and adjoining states during second half of the week.

Source: GOI (IMD)

### Weather Map [ As on 20.10.07]



Source: - IMD

Forex: -

Forex rate as on 20.10.07 and 13.10.07

Country/ Continent	Currency	Value in Rupees [20.10.07]	Value in Rupees [13.10.07]
USA	Dollar	39.79	39.33
European Union	Euro	56.87	55.74
Japan	100 Yen	34.60	33.54
United Kingdom	GBP	81.41	79.74

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