

OILMEAL

08-13 Oct, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments reflected steady tone.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Net sales for the 2007/08 marketing year (which began Oct. 1) were 266,000 MT. Increases reported for Cuba (50,000 MT), Saudi Arabia (34,000 MT), Canada (31,000 MT), Japan (27,200 MT), and the Philippines (26,800 MT, including 24,000 switched from unknown destinations), were partially offset by decreases for unknown destinations (22,000 MT). A total of 358,400 MT were outstanding on September 30 (the end of the 2006/07 marketing year) and were

carried over to the 2007/08 marketing year. Exports of 29,400 MT for Sept. 28-30 were mainly to Panama (11,700 MT), Mexico (4,700 MT), and Canada (4,100 MT). Accumulated exports for the year totaled 6,678,700 MT, up 5 percent from the 6,375,900 MT exported during the previous year. Exports of 78,500 MT for October 1-4 were primarily to the Philippines (24,700 MT), Mexico (14,300 MT), El Salvador (7,700 MT), and Colombia (6,700 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
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
Total	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
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
2003-2004(F.Y.)	2,683,675	447,050	126,750	---	---	65,550	3,323,025

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS [06.10.07]

CBOT Soy futures Settled Weak on Friday

November soybeans closed 4.75 cents down to \$358.86 per MT. January soybeans settled down 5.75 cents to \$365.65 per MT. December soy meal closed \$0.8 up to \$307.43 per MT. December soybean oil ended 0.44 down at \$871.24 per MT. Lower than expected USDA report, failed to support the bullish-trends on CBOT. 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.

CBOT Soy Meal Futures as on 13th October 2007.

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

CBOT Remains Close on Saturday and Sunday

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

DOMESTIC MARKETS

Soy meal

Soymeal prices firmed up during the period on expectation of higher exports of soymeal during oilmeal marketing year 2007-08 as well as earlier commitment of soymeal exports. As per the Soybean Processors Association of India, soymeal 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 soymeal 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 soymeal from the fresh crop at prices above the previous years. Country's soymeal exports during the oilmeal marketing year ended September were 3.53 mln

tonnes against 4.18 mln tonnes last year. Further, news reports that South Korea would import Indian soymeal boosted the sentiment. Also lower freight charges compared to US, Brazil and Argentina etc attracting the overseas buyers. Soymeal 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 12,200 - 12,700/MT. Port delivery prices quoted at Rs 13,200-13,700/MT.

Soy Meal Price Drivers-

- Lower soymeal exports in September.
- Commitments of higher exports of soymeal
- 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 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)	
		13.10.07	06.10.07
1.	Indore (MP)	12,700	12,200
2.	Shivpuri (MP)	-	-
3.	Kota	12,500	12,000-12,100
4.	Nanded/Latur	12,600/12,800	13,000-13,200
5.	Dhulia/Jalna	13,000	12,900-13,200
6.	Nagpur (41/45)	12,200-12,500	13,100
7.	Sangli	13,400	-

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 Rs 7220-7370/MT amidst improved sentiments in mustard seed and oil on the back of higher MSP announced by the Center as well as improved demand ahead of festival. 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 meal

Spot prices of groundnut oil declined from Friday's level of Rs 691-692/10 Kg to Rs 673-674/10 Kg on increased arrival against mild demand in Rajkot. Sources revealed many mills starts crushing in Saurashtra region, while some mills start crushing

after Dussheera. Prices of groundnut DOC stood steady at Wednesday'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.

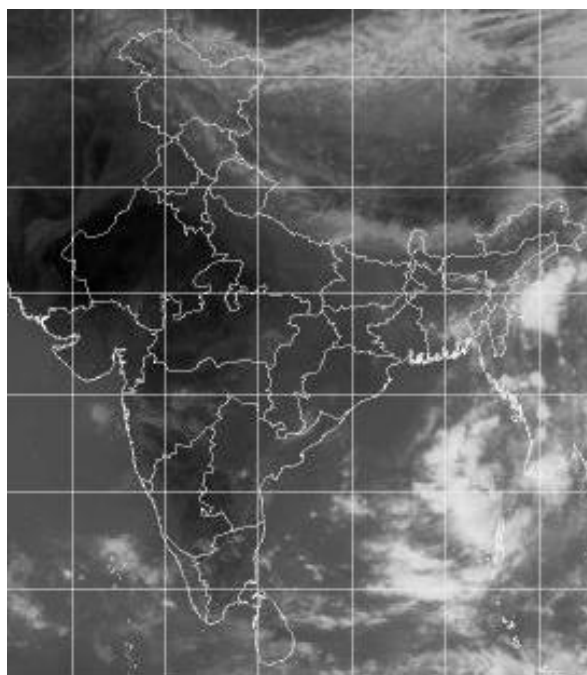
- Southwest monsoon further withdrew from remaining parts of West Uttar Pradesh & Gujarat , some more parts of East Uttar Pradesh & Madhya Pradesh, northern parts of Maharashtra and entire north Arabian Sea on 8th October. It further withdrew from entire East Uttar Pradesh, some parts of Bihar , Jharkhand, north Chhattisgarh and most parts of Madhya Pradesh on 10th October.
- The withdrawal line passed through Supaul, Hazaribagh, Pendra, Betul, Jalgaon, Dahanu, Lat. 20.0°N/ Long. 70.0°E, Lat. 20.0°N/ Long. 65.0°E and Lat. 20.0°N/ Long. 60.0°E on 10th October.
- Last week's upper air cyclonic circulation extending upto mid-tropospheric level over West-Central Bay of Bengal off Coastal Andhra Pradesh persisted over the same region on 4th October. Under its influence, a low pressure area formed over West-Central Bay of Bengal off north Coastal Andhra Pradesh on 5th. It persisted over the same area on 6th and became less marked on 7th. However, the associated upper air cyclonic circulation lay over the same region extending upto 3.1 km above mean sea level on 7th and became less marked on 8th.
- Another low pressure area formed over North-East Bay of Bengal and neighbourhood on 7th morning and became well marked in the same evening. The well marked low pressure area lay over Bangladesh and adjoining north Bay of Bengal on 8th. It lay as a low pressure area over Bangladesh & neighbourhood on 9th and became less marked on 10th. However, the associated upper air cyclonic circulation extending upto 3.1 km above mean sea level lay over Bangladesh & neighbourhood on 10th.
- Last week's upper air cyclonic circulation over northeastern states persisted over the same area in the lower levels on 4th and moved away eastwards on 5th October.
- An upper air cyclonic circulation lay over north Pakistan and adjoining Jammu & Kashmir in the lower levels on 4th and over Jammu & Kashmir and neighbourhood on 5th & 6th and moved away eastwards on 7th October.
- Another upper air cyclonic circulation extending upto mid-tropospheric levels lay over north Pakistan and neighbourhood on 8th and 9th and moved away eastwards on 10th October.
- An upper air cyclonic circulation lay over southwest Bay of Bengal off Tamil Nadu coast extending upto 3.1 km a.s.l. on 10th October..

Outlook for subsequent two days from 0830 hours IST of 17th of October 2007 (Based on numerical weather products):

- Scattered rainfall activity is likely over extreme south Peninsula during the week.
- Scattered rainfall activity is likely over northeastern States during first half of the week and decrease thereafter.
- Further withdrawal of southwest monsoon is likely from some more parts of Eastern, Central and Western India.

Source: GOI (IMD)

Weather Map [As on 13.10.07]



Source: - IMD

Forex: -

Forex rate as on 13.10.07 and 06.10.07

Country/ Continent	Currency	Value in Rupees [13.10.07]	Value in Rupees [06.10.07]
USA	Dollar	39.33	39.49
European Union	Euro	55.74	55.76
Japan	100 Yen	33.54	33.88
United Kingdom	GBP	79.74	80.41

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