

OILMEAL

31<sup>st</sup> October, 2007

## MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects firm sentiments.

## DOMESTIC MARKET

### Soy meal

Soymeal prices improved across the cash markets on firm global advices besides firm sentiment of soymeal at ports. Expectation of higher soymeal exports further aided firmness in the market. During 2007-08 season, country's oilmeal exports are likely to shoot up on higher soybean crop as well as growing Asian demand. At the end of the current fiscal, meal exports are expected to cross 55 lakh tonnes against 51 lakh tonnes in 2006-07. There is a good demand from Asian countries such as Vietnam, South Korea etc. and soon China is expected to participate. At CBOT, amidst firmness in corn and meal coupled with record high in palm oil and continuing strong outside market forces strengthened the market. Soy oil futures closed higher since Oct. 15th 1974. All time high in crude oil and firmness in metal also lent support to soy complex. Good weather for harvest has failed to pressure the market, whereas dry and warm weather condition for northern soybean areas in Brazil provided some support. The new all-time high in palm and soybean oil futures also found support from the news report that Russia plans to cut import tariffs on soyoil, sunoil and rapeseed oil to 5% from 15% for next six months. Meanwhile, weekly export inspections came at 32.2 mil bu compared with trade expectations at 25-35 mil bu. Cumulative shipments have reached 17.2% of the USDA forecast for the season compared with the 5-year average of 15.2% for this time of the year.

### Soybean DOC: - rates at different centers

| Places         | Ex-factory rates (Rs/ton) |                 |  |
|----------------|---------------------------|-----------------|--|
|                | 30.10.07                  | 29.10.07        | Parity To                                  |
| Indore (MP)    | 13,500                    | 13,500          | Gujarat, MP                                |
| Kota           | 13,200                    | 13,100          | Rajasthan, Del, Punjab, Haryana            |
| Nanded/Latur   | 13,800 / 14,300           | 13,600 / 14,100 | Andhra, AP, Kar, TN                        |
| Dhulia/Jalna   | 14,500                    | 14,200          | Mumbai Maharashtra                         |
| Nagpur (41/45) | 13,200-13,500             | 13,200-13,500   | CG, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Sangli         | 14,600                    | 14,500          | Local and South                            |
| Dharwar        | 14,800                    | 14,000          | Karnataka, Tamil Nadu                      |

### DOC Port rate at different centers

| Centers | FOR Price (Buy price) |               |
|---------|-----------------------|---------------|
|         | 30.10.07              | 29.10.07      |
| Kandla  | 14,300-14,500         | 14,100-14,200 |
| Mumbai  | 14,500-14,700         | 14,400        |

### 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.

### Rape/ Mustard Meal: -

Prices of mustard oil cake at Jaipur declined from the Monday's level of Rs 7940-7945/ MT to Rs 7770-7775/ MT on weakness domestic exchanges. Weak sentiment in other seed and oil also aided bearish tone during the Tuesday's trade. Higher mustard seed arrivals on Tuesday further imparted bearishness. However, expectation of lower production this year is seen limiting the downside. So far sowing of rapeseed/mustard seed is estimated at 891,000 hectares during 1-25 October period, down from 1.25 million hectares corresponding period last year. Also, good physical demand and announcement of higher MSP by the Center besides lower stock position with NAFED/ stockists and expected lower carry forward stock is further aiding bullishness. Further, improved sentiments of edible oil as well as other seeds

(soybean) also lent support to mustard prices. However, news report that NAFED to sell 5,000 tonnes of rapeseed for next 20 days ahead to festivities is seen limiting the upside. NAFED is likely to sell around 2,00,000 tonnes of Mustard during the period. 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 improved further across the major markets from the Monday's level of Rs 633-634/10 Kg to Rs 637-638/10 Kg on good physical demand at lower levels ahead of festivities against lower arrivals. Lower arrival across the markets due to slow down harvest also lent support to the prices.

#### CBOT Soy Meal Futures as on October 30 [Open Auction]

| Month  | Open   | High   | Low    | Close  | Chg   |
|--------|--------|--------|--------|--------|-------|
| Dec 07 | 280.00 | 281.80 | 276.50 | 280.00 | +2.20 |
| Jan 07 | 283.00 | 284.30 | 279.30 | 282.80 | +2.20 |

#### Monsoon Outlook (30.10.07)

##### Chief Features:

- Yesterday's well marked low pressure area over westcentral & adjoining southwest Bay of Bengal, north coastal Tamil Nadu and south Coastal Andhra Pradesh persists. Under its influence, widespread rainfall with scattered heavy to very heavy falls are likely over south Coastal Andhra Pradesh during next 24 hours and decrease thereafter. Fairly widespread rainfall with isolated heavy to very heavy falls are also likely over rest Andhra Pradesh, north coastal Tamilnadu, Kerala and Lakshadweep during the same period.
- The deep depression over southeast Arabian Sea remained practically stationary and lay centred at 0830 hours IST of today near Lat.11.5°N and Long. 65.5°E. It is likely to intensify further. However, as the system is expected to move west-northwestwards, it is not likely to affect Indian coast.

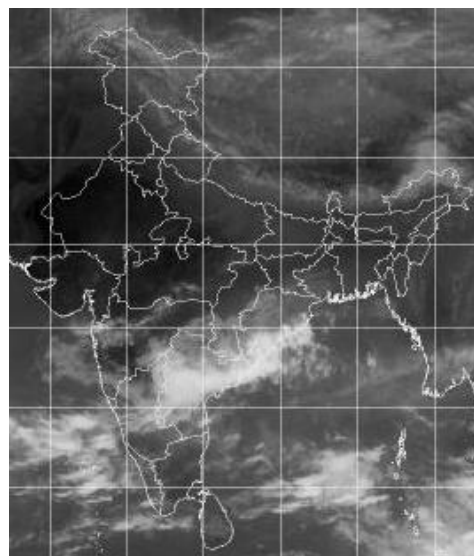
#### Outlook for subsequent two days from 0830 hours IST of 2<sup>nd</sup> of November 2007 (Based on numerical weather products):

- Scattered rainfall activity is likely over south peninsula and adjoining Maharashtra.

Source: GOI (IMD)

Overall supportive fundamental in other edible oils also supported the sentiment. Further, expectation of export opportunity followign lower crop/ crop failure in Brazil, America and China is likely to boost the sentiment of groundnut complex. However, sources revealed that most of the mills start crushing in Saurashtra region, while some mills are likely to start crushing soon, which is seen restricting the upside. Prices of groundnut DOC stood steady at Saturday's level of 10,100-10,500/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.

#### Weather Map [As on 30.10.07]



Source-IMD

#### FOREX RATE AS ON 30.10.07

| Country/Continent | Currency | Value in Rupees |
|-------------------|----------|-----------------|
| USA               | Dollar   | 39.40           |
| European Union    | Euro     | 56.69           |
| Japan             | 100 Yen  | 34.42           |
| United Kingdom    | GBP      | 81.12           |

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