

OILMEAL

20th October, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects firm sentiments.

DOMESTIC MARKET

Soy meal

Soymeal prices firmed up across the markets on improved sentiment of soybean across the domestic market due to lower arrivals. Expectations of higher export of soymeal in 2007-08 season following lower crop in US and China, also aided to the bullishness besides the earlier soymeal export commitments. Sources reported that due earlier commitments of meal export for Nov-Dec shipments millers and crushers are continuously buying beans from the markets which are seen boosting the prices of soybean and consequently the soymeal prices. Soymeal prices at ports also firmed up following firmness in international market (CBOT). At CBOT, Amidst 23 year high for soybean oil and sharp rally in energy and another push lower in the US dollar imparted bullishness in soybean besides surge in export sales for oil and sales of soybean and meal. Slow down harvest progress in US also lent support to the prices. Meanwhile, weekly export sales for soybean came at 7,70,100 MT compared to trade expectations of 7,00,000-9,00,000 MT. Meal sales was 1,00,900 MT compared to trade expectation of 75,000-1,50,000 MT and oil sales was a whopping 26,400 MT compared to trade expectations of 5,000-15,000 MT. However, the weekly oil sales did not include the 20,000 tonnes sold to China this week and will shown in next week's report. The Chief Economist for the USDA presented projections to the House Agriculture Committee today and indicated that the acreage for soybean for the 2008-09 season at 70 million acres from 63.7 million this year. Ending stocks were pegged at 210 million bushels from 215 million this season.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	19.10.07	18.10.07	Parity To
Indore (MP)	13,000	12,800	Gujarat, MP
Shivpuri (MP)	-	-	UP, Bihar, WB, Nepal
Kota	12,500	12,400	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	12,700 / 13,200	12,600 / 13,100	Andhra, AP, Kar, TN
Dhulia/Jalna	13,500	13,400	Mumbai Maharashtra
Nagpur (41/45)	12,400-12,700	12,200-12,500	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	13,600	13,500	Local and South

Solapur	-	-	Local and South
Dharwar	13,500	13,500	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	19.10.07	18.10.07
Kandla	13,800-13,900	13,600-13,700
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 declined from the Thursday's level of Rs 7665-7675/ MT to Rs 7570-7575/MT on news report that the NAFED is planning to sell 2,00,000 tonnes of Mustard seed ahead of festivities. 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 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 from the Thursday's level of Rs 621-622/10 Kg to Rs 628-629/10 Kg on good demand ahead of festival against restricted arrivals during the Friday's trade. Expectation export opportunity also lent support to the prices. 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 starts 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 19 [Open Auction]

Month	Open	High	Low	Close	Chg
Dec 07	277.00	280.50	276.20	278.10	+3.2
Jan 07	279.80	282.50	278.80	280.40	+2.6

Monsoon Outlook (19.10.07)

Chief Features:

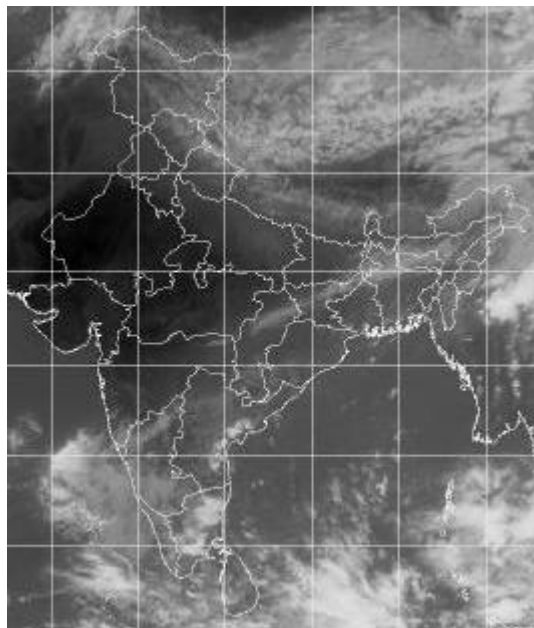
- The current meteorological analysis and Numerical Weather Prediction Models suggest that scattered rainfall activity is likely over North-eastern States during next
- 1-2 days and decrease thereafter. Scattered rainfall activity is also likely over extreme south peninsula during next 2-3 days.
- Southwest monsoon is likely to withdraw from northeastern States and the remaining parts of East & Central India and Maharashtra during 20 to 22nd October.

Outlook for subsequent two days from 0830 hours IST of 22nd of October 2007 (Based on numerical weather products):

- Scattered to fairly widespread rainfall activity is likely over extreme south peninsula.
- Northeast Monsoon rain is likely to commence over Tamil Nadu and adjoining states during 22 to 24 October.

Source: GOI (IMD)

Weather Map [As on 19.10.07]



Source-IMD

FOREX RATE AS ON 19.10.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.79
European Union	Euro	56.87
Japan	100 Yen	34.60
United Kingdom	GBP	81.41

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