

OILMEAL

27th October, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects firm sentiments.

DOMESTIC MARKET

Soy meal

Soymeal prices shot up across the major markets on firm sentiment of soymeal at ports following firmness in international market (CBOT). Continuing good demand for soymeal amidst higher export commitments for Oct., Nov. and Dec. deliveries is seen boosting the sentiment. Meal prices are soaring upward by 55-60 per cent in last couple of months and at present it is fetching at US \$355-360/MT FAS. Sources revealed that over 7 lakh tonnes of meal to be exported for Oct, Nov and Dec shipment. Expectations of higher export of soymeal in oilmeal marketing year 2007-08 following lower crop in US and China is also seen boosting the sentiment. At CBOT, slow down selling of harvested soybean, rise in crude oil and active fund buying led to market closed highest since the September 27th. However, the bullish meals weekly exports sales and September Census crush report also supported the market. Soybean sales stood at 463,400 tonnes against trade estimation of 550,000-750,000 tonnes. Meal sales stood at 244,500 tonnes Vs trade expectation between 100,000-150,000 tonnes and soy oil sales totaled at 24,300 tonnes compared with trade expectation between 20,000-30,000 tonnes. The September Census crush report totaled at 147.5 mil bu against trade expectation near 146.5 mil bu. The oil stocks in September remained at 2.932 billion pounds below to trades expectation near 3 billion pounds.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	26.10.07	25.10.07	Parity To
Indore (MP)	13,300	13,100-13,300	Gujarat, MP
Shivpuri (MP)	-	-	UP, Bihar, WB, Nepal
Kota	12,800	12,600-12,700	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13,200 / 13,500	13,000 / 13,500	Andhra, AP, Kar, TN
Dhulia/Jalna	14,100	13,800	Mumbai Maharashtra
Nagpur (41/45)	12,700-13,100	12,300-12,600	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14,200	13,500-13,700	Local and South
Solapur	-	-	Local and South
Dharwar	14,000	13,900	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	26.10.07	25.10.07
Kandla	14,100-14,200	13,700
Mumbai	14,400-14,500	14,100

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 improved from the Thursday's level of Rs 7620-7625/ MT to Rs 7670-7675/ MT on improved sentiment of mustard seed and oil across the markets following expectation of lower production this year. Improved sentiments of edible oil also lent support mustard. 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. 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 shot up across the major markets from the Thursday's level of Rs 611-612/10 Kg to Rs 622-623/10 Kg on good physical demand at lower levels and ahead of festivals. Lower arrival across the markets also lent support to the prices. Firmness in other edible also supported the groundnut oil. Further, expectation of export opportunity may boost the sentiment of groundnut complex as millers are eyeing for exports opportunity of groundnut complex due to lower crop / crop failure

in Brazil, America and China. Meanwhile, 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 10,200-10,300/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 26 [Open Auction]

Month	Open	High	Low	Close	Chg
Dec 07	274.80	280.70	274.80	279.50	+5.50
Jan 07	277.50	283.00	277.50	282.40	+6.50

Monsoon Outlook (26.10.07)

Chief Features:

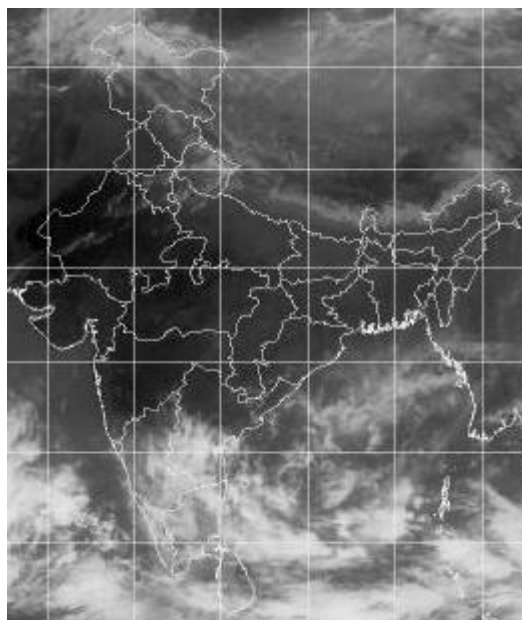
- Yesterday's low pressure area over southeast Arabian Sea persists. The system is likely to become more marked during next 48 hours. It is likely to cause fairly widespread rainfall with isolated heavy to very heavy fall over Lakshadweep during next 2-3 days.
- The Current meteorological analysis suggests fairly widespread rainfall with isolated heavy to very heavy falls over Andaman & Nicobar Islands and parts of south peninsula during next 2-3 days.
- Numerical weather prediction models suggest formation of a fresh low pressure area over southeast Bay of Bengal during next 48 hours which is likely to increase the rainfall activity over south peninsula from 28th onwards.

Outlook for subsequent two days from 0830 hours IST of 29th of October 2007 (Based on numerical weather products):

- Widespread rainfall with scattered heavy to very heavy fall is likely over Coastal Andhra Pradesh, Rayalaseema, Tamil Nadu & Puducherry and Kerala.
- Scattered rainfall activity is likely over remaining parts of south peninsula and coastal Orissa.

Source: GOI (IMD)

Weather Map [As on 26.10.07]



Source-IMD

FOREX RATE AS ON 26.10.07

Country/Continent	Currency	Value in Rupees
USA	Dollar	39.51
European Union	Euro	56.76
Japan	100 Yen	34.54
United Kingdom	GBP	81.16

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