

OILMEAL

8th October, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects steady to weak sentiments.

DOMESTIC MARKET

Soy meal

Soymeal prices eased during the Saturday's trade on the back of weak demand for fresh beans due to higher moisture content (18-22%), which is fetching at a discount coupled with arrival pressure of soybean, pressurized the prices. Weakness in international markets further aided to the bearishness. At CBOT, expectation of less tightness in supply-demand and Monday's weather forecast include favourable reports of rains over Brazil's growing areas "Matto Grosso" imparted bearishness. Early weakness in wheat and corn, advancing harvest with hint of rain for S. America's growing areas witnessed selling pressure. Further, weakness in palm oil and energy besides hefty deliveries of bean and meal and higher soybean crop estimates aids some bearishness. Informa pegged soybean crop at 2.647 billion bushels, up 28 million bushels from the last months USDA estimate and marginally above the trade estimates. Yield was expected at 42.1 bushels/acre compared to 41.4 bushels/acre from the USDA last month report. However, there are some positive factors which may lent support such as wet condition in Iowa and Minnesota and expectations that the rain may spread in corn belt, which may hinder harvest coupled with expectation that USDA may lower its crop forecast for next week. As per the Solvent Extractors Association of India, country exported 352,800 MT of oilmeal in Sept. up 9% from last year. Exports were around 1.4 million tonnes in 1st half of FY that ends in March, down 12% from the corresponding period last year. Country exported 775,275 tonnes of soy meal during April-September period compared with 975,975 tonnes in same period last year.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	06.10.07	05.10.07	Parity To
Indore (MP)	12,300	12,200	Gujarat, MP
Shivpuri (MP)	-	-	UP, Bihar, WB, Nepal
Kota	12,200	12,000-12,100	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	12,800	13,000-13,200	Andhra, AP, Kar, TN
Dhulia/Jalna	13100	12,900-13,200	Mumbai Maharashtra
Nagpur (41/45)	12,900	13,100	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN

Sangli	13,200	-	Local and South
Solapur	-	-	Local and South
Dharwar	12,600	-	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	06.10.07	05.10.07
Kandla	13,200	13,200
Mumbai	13,400-13,500	13,400-13,500

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 to Rs 7200-7220/MT. As per Solvent Extractors Association of India's press release, 41,375 MT of rapeseed DOC was exported during August against 46,075 MT last month. Rapeseed exports constituted around 34% of the total oilmeals exported for August month. A total of 1, 22,850 MT was exported during August month a decline of 17,335 MT over last month. South Korea imported a maximum of 23,800 MT followed by Thailand at 14,850 MT.

Groundnut DOC: -

Spot prices of groundnut oil eased from the previous day's level of 753/10 Kg to 751/10 Kg in Rajkot on steadily increasing arrivals of groundnut against subdued demand. Prices of groundnut DOC stood in the range of 10,300-10,400/MT. The Solvent Extractors' Association of India has just compiled the

data for export of oil meals for the month of July 2007 and reported at 140,175 tons compared to 179,950 tons in July last year i.e. down by 22% .During April to August 2007, around 4,775 MT of groundnut meal was exported. No exports were witnessed for the month of July and August 2007.

CBOT Soy Meal Futures as on October 6 [Open Auction]

Month	Open	High	Low	Close	Chg
Oct 07	264.0	264.0	258.5	259.4	-6.3
Dec07	270..	270.8	264.2	265.4	-5.4

Monsoon Outlook (06.10.07)

Chief Features:

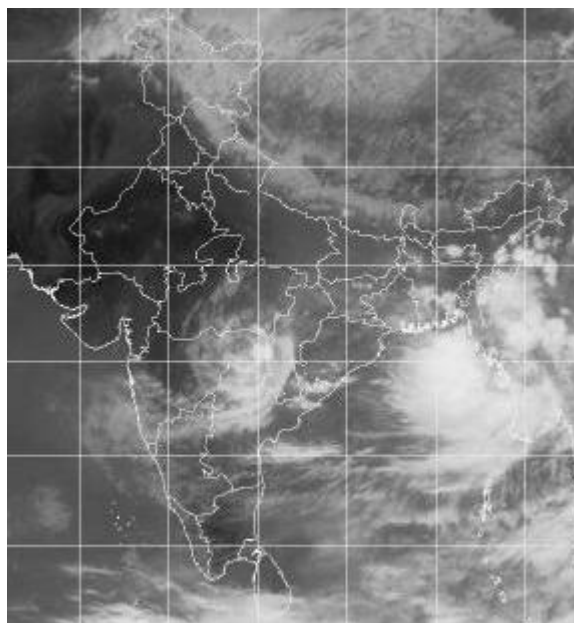
- Yesterday's low pressure area over west central Bay of Bengal off north Andhra Pradesh coast persists and is showing signs of its weakening. However, it may cause fairly widespread rainfall over north Andhra Pradesh and coastal Orissa during next 24 hours.
- The current meteorological analysis suggests formation of a fresh low pressure area over north Bay of Bengal during next 48 hours. Subsequently it is likely to cause fairly widespread rainfall with isolated heavy to very heavy falls over northeastern States, West Bengal & Sikkim and adjoining parts of east India.

Outlook for subsequent two days from 0830 hours IST of 9th of October 2007 (Based on numerical weather products):

- Scattered to fairly wide-spread rainfall activity likely over northeastern states and West Bengal & Sikkim.
- Southwest monsoon is likely to further withdraw from remaining parts of West Uttar Pradesh & Gujarat, some more parts of Madhya Pradesh and some parts of Maharashtra.

Source: GOI (IMD)

Weather Map [As on 06.10.07]



Source-IMD

FOREX RATE AS ON 06.10.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.49
European Union	Euro	55.76
Japan	100 Yen	33.88
United Kingdom	GBP	80.41

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.