

OILMEAL

1st November, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects steady to weak sentiments.

DOMESTIC MARKET

Soy meal

Soymeal prices steady to weak across the cash markets on weakness in soymeal at ports following weak international market (CBOT). Weak sentiment in beans and oil prices in domestic exchanges further aided negative tones. However, expectation of higher meal exports is seen limiting the downside to some extent. 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 selling pressure from producers, speculators and commercials coupled with sharp sell-off in energy and weakness in outside market forces pressured soy complex. Expectation of higher deliveries besides good early growing conditions in South America and for the tail end of harvest in the US also aided bearishness. The weekly crop update shows that soybean harvest had reached 84% compared to 75% last week and 82% last year. The 10 year average for this time of year is 86%. Iowa is 88% complete from 97% as the 5-year average. Palm oil futures slipped 1.6% in overnight trade which was down from yesterday's all-time high.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	31.10.07	30.10.07	Parity To
Indore (MP)	13,400	13,500	Gujarat, MP
Kota	13,200	13,200	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13,600 / 13,900	13,800 / 14,300	Andhra, AP, Kar, TN
Dhulia/Jalna	14,300	14,500	Mumbai Maharashtra
Nagpur (41/45)	13,200-13,500	13,200-13,500	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14,300	14,600	Local and South
Dharwar	14,500	14,800	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	31.10.07	30.10.07
Kandla	14,000-14,100	14,300-14,500
Mumbai	14,200-14,300	14,500-14,700

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 trade steady to slightly firm during the Wednesday's trade. At Jaipur prices quoted at Rs 7775-7780/ MT from Rs 7770-7775/ MT on Tuesday following good demand ahead of festivities and lower arrival besides the sowing demand. Expectation of lower production this year is also supported the sentiment during Wednesday's. 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 eased during the Wednesday's level of Rs 637-638/10 Kg to Rs 633-634/10 Kg on slightly better arrivals as well as weakness in other edible oils despite of good demand at lower levels. Further, expectation of export

opportunity following 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.

CBOT Soy Meal Futures as on October 31 [Open Auction]

Month	Open	High	Low	Close	Chg
Dec 07	277.80	279.30	273.60	274.70	-5.30
Jan 07	280.00	282.10	276.80	277.10	-5.60

Monsoon Outlook (31.10.07)

Chief Features:

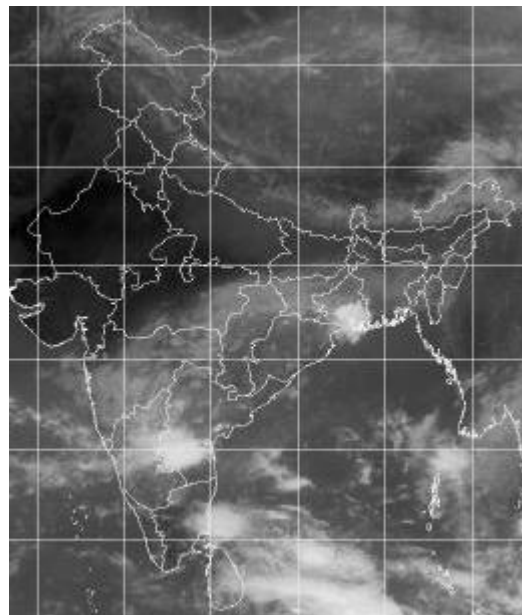
- Yesterday's wellmarked low pressure area over westcentral & adjoining southwest Bay of Bengal, north coastal Tamil Nadu and south Coastal Andhra Pradesh has weakened into a low pressure area and now lies over westcentral Bay of Bengal and adjoining coastal Andhra Pradesh. Under its influence fairly widespread rainfall with isolated heavy fall is likely over Andhra Pradesh and south coastal Orissa during next 24 Hrs. and decrease thereafter.
- The deep depression over southeast Arabian Sea slightly moved westwards and lay centred at 0830 Hrs IST of today, the 31st October 2007 near Lat.11.5°N and Long. 64.0°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 3rd of November 2007 (Based on numerical weather products):

- Scattered rainfall activity is likely over south peninsula.

Source: GOI (IMD)

Weather Map [As on 31.10.07]



Source-IMD

FOREX RATE AS ON 31.10.07

Country/Continent	Currency	Value in Rupees
USA	Dollar	39.32
European Union	Euro	56.75
Japan	100 Yen	34.28
United Kingdom	GBP	81.35

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