

OILMEAL

29th December 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed firm sentiment

DOMESTIC MARKET

Soy meal

Soymeal spot prices were firm at major markets on Friday amid strong overseas demand. Sentiments at ports remained firm today. At spot market the soybean prices are above Rs.2000/qlt. Again prices of soybean at futures market have soaring high. However, At CBOT soybean futures closed lower on profit-taking and in a setback from recent rallies while previous rallies seems failed to lure the substantial increase in selling which picked up in the previous trading session. Both US and Asian markets seem to have affected by the holidays during the week. However, it is believed that the market still has underlying technical and fundamental strength after hitting 34-year highs in recent sessions. Also gains in crude oil, gold and metal helped underpin the market. Weather is a long term concern in Argentina with hot, dry weather expected to return in coming days.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	28.12.07	27.12.07	Parity To
Indore (MP)	15200	15020	Gujarat, MP
Kota	14900	14900	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	15500-700/15800-900	15500/15700	Andhra, AP, Kar, TN
Dhulia	15900-16100	15500/15700	Mumbai Maharashtra
Nagpur (41/45)	14700-15000	14700-900	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	16000-100	16000-100	Local and South
Dharwar	-	-	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	28.12.07	27.12.07
Kandla	16100-300	16100-200
Mumbai	16100-200	16000

Current vessel positions in different ports: -

Kandla: -

Vessel **MV Trans** was expected to berth on 15.12.07. It would load 10,000 MT of SBM. ACT INFRA P agent is handling the vessel.

Mumbai:-

None.

Rape/ Mustard Meal: -

Prices of mustard oil cake at Jaipur markets were steady on Friday. At Jaipur, mustard meal traded between the price range of Rs.907-908/MT on Friday. As per the first round survey of Agricultural Ministry sowing of mustard seed between October 1 and December 14 was complete in 57.2 lakh hectares against the coverage of about 64.2 lakh hectares during the same period last year. The oilseed sowing is expected to finish next month and the edible oil industry fears that the acreage under mustard seed in 2007-08 rabi season may be lower than the previous season when a total of 72 lakh hectares were brought under oilseed cultivation. The oilseed output this rabi season is expected to fall by about 1 million ton (mt) to 6 mt compared to last year's level of 7.1 mt, according to the estimates of Solvent Extractors' Association of India. According to the industry sources the National Agricultural Cooperative Marketing Federation of India (Nafed) has a stock of 3.5 lakh tonnes. The average daily arrival of mustard seed is about 13-14 tonnes at major mandis, Sirsa, Hapur and Delhi. Recent showers over mustard growing raised some hope of more coverage of the oilseed and prompted traders to take a bearish view. As per Solvent Extractors Association of India's rapeseed/mustard meal exports have increased to 79,250 tonnes during April-November period this year from 68,250 tonnes in corresponding period last year.

Groundnut DOC: -

Spot groundnut complex witnessed firm trade on Friday, amid good physical demand. However, lower Rabi acreage of 2.41lha against 2.79 last year is likely to support the prices in near term besides news report that country has resumed groundnut oil exports. Meanwhile, country has resumed exports of groundnut oil after a long gap of around 2 years, on the back of increased Kharif output. However, the volumes shipped may remain thin because of low profitability on the back of lower groundnut prices in international markets, which further pressured the domestic prices as the demand from exporters remained subdued in the market. However, around 15,000-20,000 tonnes have already been contracted and most shipments so far are destined for European and Chinese ports in containers as well as in bulk. Export orders signed so far include delivery of 5,000 tonne of groundnut oil at a price of \$1,745/MT, basis cost and freight, to be delivered to Dunkirk port in France. Expectation of higher meal export this year following lower crop globally and bumper production this Kharif season in the country is also expected to support the

sentiment. The prices of groundnut seeds for different qualities were firm on Friday at price level of Rs. 524-525 per 20 compared to the price levels of Rs. Rs. 522-523 per 20 kg on Thursday in different markets of Gujarat. In Rajkot market groundnut oil was traded steady at the price level of Rs.672-673 on Friday. The Solvent Extractors' Association

of India has compiled the data for export of oil meals for the month of October 2007 and reported at 200 tons. During April to October 2007, around 12,475 MT of groundnut meal was exported compare to 12,275 MT of groundnut meal in April-September 2007 period. No exports were witnessed for the month of November 2007.

CBOT Soy Meal Futures as on December 28, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Jan 08	338.0	338.3	334.8	335.9	-1.8
March 08	344.6	346.0	341.8	343.9	-1.2

#CBOT remain closed on Saturday

Monsoon Outlook (28.12.07)

Chief Features:

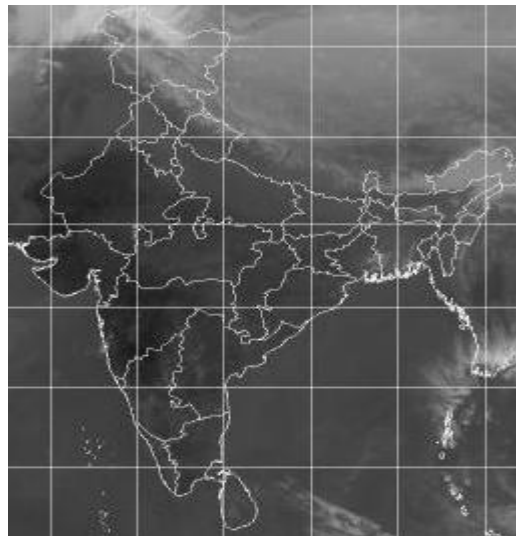
- The current meteorological analysis and Numerical Weather Prediction models suggest that no significant change in minimum temperature is likely over Rajasthan and northwest India during next 2-3 days.
- Fog conditions in morning hours prevailed over many parts of Bihar, West Bengal & Sikkim. The current meteorological analysis suggests that fog conditions in morning hours are likely to continue for next 2 days.

Outlook for subsequent two days from 1430 hours IST of 31st December, 2007 (Based on numerical weather products):

- Fog conditions are likely over some parts of Rajasthan and plains of northwest India..

Source: GOI (IMD)

Weather Map [As on 28.12.07]



Source-IMD

FOREX RATE AS ON 28.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.44
European Union	Euro	57.69
Japan	100 Yen	34.93
United Kingdom	GBP	78.73

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