

OILMEAL

24 December 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed firm sentiments

DOMESTIC MARKET

Soy meal

Soymeal is traded firm in major spot markets following firm sentiment at CBOT and BMD. There is a continued overseas demand of soymeal from India amid lower production of soybean in US and China this year. The Mumbai and the Vizag ports are still reported congested while Kandla port is better. At Indian ports the FAS meal price is fetching \$406-409. At CBOT soybean futures rallied setting new 34-year contract highs from same long term factor, supportive underlying fundamentals and technical strength kept bullish traders enthused. Apart from it higher prices for Malaysian palm oil on supply concerns and higher crude oil prices were supportive factors to the market at CBOT. However, January meal contract could not end up as expected at CBOT. The absence of any significant selling helped extend the gains, as sellers remain unwilling to stand in front of the bullish trend. Overall activity lacked intensity despite the double-digit gains, with some traders evening out positions ahead of an extended break during the holidays.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	22.12.07	21.12.07	Parity To
Indore (MP)	15000	14700-800	Gujarat, MP
Kota	14600	14300	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	15200/15400	14500-700/15100	Andhra, AP, Kar, TN
Dhulia/Jalna	15500	15200-300	Mumbai Maharashtra
Nagpur (41/45)	14400-14700	14100-14400	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	15600	15200-300	Local and South
Dharwar	-	-	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	22.12.07	21.12.07
Kandla	15900-16000	15700-15800
Mumbai	16100D/16300J	15600-700

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 and other regional/local markets were firm on Friday. At Jaipur, mustard meal traded at Rs.877.50/MT on Saturday the prices remained steady compared to the previous day. However, According to a senior official of the National Agriculture Cooperative Marketing Federation (Nafed), the government agency for price support scheme (PSS) in oilseeds, the procurement of mustard is likely to be low in the rabi marketing season next year, though the minimum support (MSP) of mustard has been raised from Rs.1,715 to Rs.1,800 a quintal. Nafed is currently focusing on packaged oil. Presently the mustard prices are in the range of Rs.2,200-2,300 a quintal. Mustard sowing in the ongoing rabi season is lagging behind at 5.72 million hectares (as on Dec 14) against 6.42 million hectares last year and the production is likely to drop this year. Nafed at present has a stock of 350,000 tonnes of mustard seed. It is selling 30,000 tonnes every month as seed while processing another 40,000 tonnes into oil. 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 Saturday, amid good physical demand. However, lower Rabi acreage of 2.41ha 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 Saturday and traded between the price levels of Rs.521-522 per 20 kg on Saturday compared to previous price level of Rs. 515-516 per 20 on Friday in different markets of Gujarat. In Rajkot market groundnut oil

was traded at the price level of Rs.673-674 on Saturday compared to the price of level of Rs.668-669 per 10 kg 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 22, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Jan 08	326.5	329	325.1	328.2	+3.1
March 08	333.7	336.2	332.0	334.9	+3.0

#CBOT remain closed on Saturday

Monsoon Outlook (22.12.07)

Chief Features:

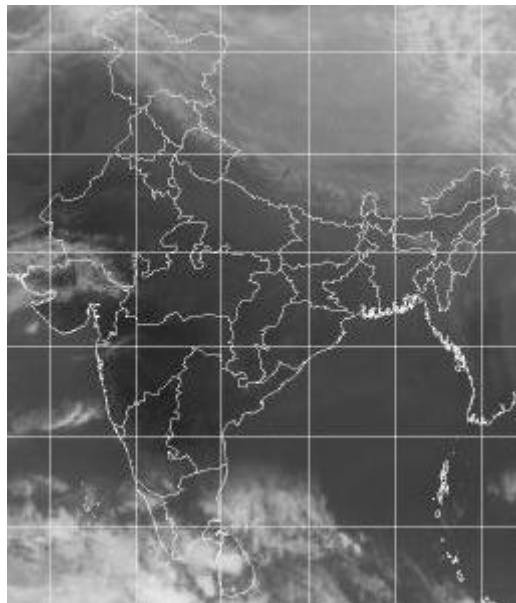
- Under the influence of a western disturbance over Jammu & Kashmir and neighbourhood isolated rain/snow is likely over Western Himalayan region during next 24 hours.
- Numerical weather prediction models suggest that an another western disturbance is likely to affect Western Himalayan region from 24th onwards for next 2-3 days.
- Cold wave conditions prevailed over parts of Gangetic West Bengal and Jharkhand during past 24 hours.
- Under the influence of approaching western disturbance increase in minimum temperatures are likely over northwest India during next 48 hours.

Outlook for subsequent two days from 1430 hours IST of 25th December, 2007 (Based on numerical weather products):

- Isolated to scattered rain/ snow is likely over Jammu & Kashmir and Himachal Pradesh.
- Isolated to scattered rainfall activity is likely over extreme south peninsula.

Source: GOI (IMD)

Weather Map [As on 22.12.07]



Source-IMD

FOREX RATE AS ON 22.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.34
European Union	Euro	56.48
Japan	100 Yen	34.49
United Kingdom	GBP	78.01

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