

OILMEAL

21 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. The Mumbai and the Vizag ports are still reported congested while Kandla port is better. At Indian ports the FAS meal price is fetching \$398-401 which seems continuously improving. Gains by crude oil and spillover support from sharp gains in wheat helped Soybean complex to end high at CBOT. Meal and oil moved up and oil was the leader within the soy complex. The market recovered from Tuesday's declines, consolidating after it failed to attract follow-through selling. A quiet news front promoted the consolidative theme. Farmers in the highest yielding areas of the Central Corn Belt seems still finding corn to be more profitable and not planning to make the switch to soybean, whereas farmers at other parts of the US have switched to soybean. Overall activity was light, with bullish long-range fundamentals keeping prices underpinned, while overbought technical signals and traders' willingness to even up positions in the last full trading week of the year encouraging range-bound price action at CBOT.

### Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	20.12.07	19.12.07	Parity To
Indore (MP)	14600-700	14500-600	Gujarat, MP
Kota	14000-200	14000	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	14700-800/15000-100	14700/15100	Andhra, AP, Kar, TN
Dhulia/Jalna	15200	15000-100	Mumbai Maharashtra
Nagpur (41/45)	14000-300	13900-14200	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	15000-200	15000-100	Local and South
Dharwar	-	-	Karnataka, Tamil Nadu

### DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	20.12.07	19.12.07
Kandla	15550-15600	15550-15600
Mumbai	15300-400	15500

### 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 weak on Thursday. At Jaipur, mustard meal traded at Rs.875.00/MT on Thursday compared to previous level of Rs.877.50/MT on Wednesday. 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 and is able to sell 4,925 tonnes of mustard oil worth Rs.26 crore so far in the current financial year. 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 mixed trading on Thursday there is a 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 resumes 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 weak on Thursday and traded between the price range of Rs.517-518 per 20

compared to Rs.521–522 per 20 kg on Wednesday in different markets of Gujarat. In Rajkot market groundnut oil was traded steady at Rs.672--673 per 10 kg on Thursday. 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 20, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Jan 08	323.3	325.0	321.8	323.7	+1.2
March 08	328.5	331.5	328.5	329.8	+1.3

#CBOT remain closed on Saturday

#### Monsoon Outlook (20.12.07)

##### Chief Features:

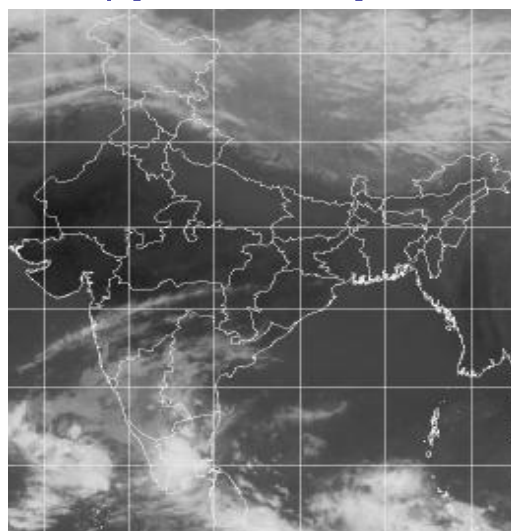
- Cold wave conditions prevailed over isolated pockets of Punjab, Haryana, East Uttar Pradesh and Jharkhand during past 24 hrs. Meteorological analysis and numerical weather prediction models suggest rise in minimum temperatures over Indo-Gangetic plains leading to abatement of prevailing cold wave conditions during next 1-2 days.
- Under the influence of a trough with embedded cyclonic circulation over Lakshadweep and adjoining Maldives areas in easterlies, widespread rainfall with isolated heavy to very heavy falls is likely over extreme south peninsula during next 24hours and decrease thereafter.

#### Outlook for subsequent two days from 1430 hours IST of 23<sup>h</sup> December, 2007 (Based on numerical weather products):

- Isolated to scattered rainfall activity is likely over extreme south peninsula.

Source: GOI (IMD)

#### Weather Map [As on 20.12.07]



Source-IMD

#### FOREX RATE AS ON 20.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.57
European Union	Euro	56.85
Japan	100 Yen	34.96
United Kingdom	GBP	78.93

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