

## MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments reflected steady.

## NEWS ANALYSIS

### Soybean Meal: USDA Weekly Export Sales Highlights

Soybean Cake and Meal: Net sales of 96,000 MT--a marketing-year low--were 41 percent under the previous week and 36 percent below the prior 4-week average. Increases reported for Mexico (22,600 MT), Turkey (16,000 MT), Canada (15,800 MT), Colombia (12,800 MT),

Germany (8,800 MT, including 7,500 MT switched from Russia), and the Philippines (8,200 MT), were partially offset by decreases for Russia (7,500 MT) and Venezuela (6,000 MT). Exports of 138,000 MT were 29 percent below the previous week's marketing-year high and 20 percent under the prior 4-week average. The primary destinations were Canada (33,400 MT), Mexico (23,500 MT), Germany (21,800 MT), Saudi Arabia (17,100 MT), and Cuba (10,200 MT). Source: USDA

**Export of Oil meal (Extractions) from April '06 to November '07 with comparative period of previous year (Qty. in MT)**

Month	S.B.EXT	R.S.EXT.	G.N.EXT	R.B.EXT.	S.F.EXT.	CST.EXT.	TOTAL
April 2006	316,925	53,425	12,400	5,650	---	10,825	399,225
	99,250	90,900	12,950	---	----	17,800	220,900
May 2006	140,075	77,400	18,525	4,750	---	15,575	256,325
	156,100	69,650	3,025	6,875	----	50,200	285,850
June 2006	108,975	79,900	12,175	11,000	---	7,600	219,650
	115,750	53,975	8,900	12,675	----	20,225	211,525
July 2006	119,450	49,500	---	11,000	---	---	179,950
	135,550	45,750	17,700	16,500	----	11,525	227,025
August 2006	111,075	98,075	---	29,500	---	15,350	254,000
	112,575	43,825	15,100	5,033	----	11,325	187,858
September 2006	179,475	92,775	5,000	32,850	---	14,225	324,325
	102,675	31,025	8,500	---	----	15,950	158,150
October 2006	219,500	74,000	---	21,950	---	17,175	332,625
	160,250	37,250	8,825	---	----	3,100	209,425
November 2006	457,450	68,250	3,200	21,900	---	32,450	583,250
	266,675	21,725	2,200	12,867	----	18,225	321,692
December 2006	506,300	63,500	14,250	18,550	---	24,075	626,675
	492,950	47,400	18,000	6,500	750	14,100	579,700
January 2007	505,975	91,650	5,000	24,925	---	18,900	646,450
	483,225	16,975	8,400	25,950	----	14,175	548,725
February 2007	449,975	97,650	---	18,500	---	26,650	592,775
	587,425	28,750	3,850	29,425	----	12,800	662,250
March 2007	546,700	124,600	13,100	51,700	---	19,350	755,450
	712,175	46,050	30,475	9,500	----	11,725	809,925
April 2007	250,775	108,375	4,500	33,200	---	36,100	432,950

	316,925	53,425	12,400	5,650	----	10,825	399,225
May 2007	110,050	74,225	---	6,050	---	39,700	230,025
	140,075	77,400	18,525	4,750	----	15,575	256,325
June 2007	64,075	51,825	275	16,025	---	21,425	153,625
	108,975	79,900	12,175	11,000	----	7,600	219,650
July 2007	66,700	46,075	----	11,650	---	15,750	140,175
	119,450	49,500	----	11,000	----	----	179,950
August 2007	47,225	41,375	----	12,275	---	21,975	122,850
	111,075	98,075	----	29,500	----	15,350	254,000
September 2007	236,450	68,175	7,500	12,275	---	28,400	352,800
	179,475	92,775	5,000	32,850	----	14,225	324,325
October 2007	167,700	63,125	200	11,950	---	16,725	259,700
	219,500	74,000	----	21,950	----	17,175	332,625
November 2007	480,025	79,250	----	5,525	----	26,025	590,825
	457,450	68,250	3,200	21,900	----	32,450	583,250
<b>2006-2007(F.Y.)</b>	3,661,875	970,725	83,650	252,275	---	202,175	5,170,700
<b>2005-2006(F.Y.)</b>	3,424,600	533,275	137,925	125,325	750	201,150	4,423,025
<b>2004-2005(F.Y.)</b>	1,861,325	588,805	121,475	43,056	4,790	70,750	2,690,201
<b>2003-2004(F.Y.)</b>	2,683,675	447,050	126,750	---	---	65,550	3,323,025

## FUNDAMENTAL ANALYSIS

### INTERNATIONAL MARKETS [15.12.07]

#### CBOT Soy futures witnessed Firm on Saturday

January soybean meal made a new contract high while oil continues to lag. The lower than expected NOPA crush report in November remains supportive to soy complex. Although, USA soybean acreage is projected to go up by 6.3 million acres to 70 million acres vis-à-vis last year's 63.7 million acres. But, it is less likely to cover the expecting depletion in soybean ending stocks in 2008/09 to record low level. The basis is farmers reluctant to soybean

than other remunerative crops like corn. To avoid this condition, USA would have to plant more 8-9 million acres in addition of projected. Besides, energy bill released by US Senate that would mandatory bio diesel production 5-times to 36 billion gallons. Besides, favorable weather conditions in South America which is vital for growing crop pressured the market to close mixed.

#### CBOT Soy Meal Futures as on 15<sup>th</sup> December 2007.

Month	Open	High	Low	Close	Chg
<b>Dec07</b>	322.50	324.50	321.00	324.50	<b>+3.3</b>
<b>March 08</b>	328.00	336.20	327.70	332.10	<b>+4.4</b>

CBOT Remains Close on Saturday and Sunday

Note: - Values in parentheses (#) are for Monday

## DOMESTIC MARKETS

### Soy meal

Overall the oil meal sentiment during the week was firm. During the week Indore soymeal prices ranged between Rs.13600/ton to 14200/ton while FOR Kandla prices (buy price) were between Rs.14850-15000 to Rs.15100-15200. According to the Solvent Extractors' Association of India, India's oilmeal exports in Nov rose 1.3% to 590,825 metric tons from 583,250 tons last year whereas, during Apr-Nov the total export fell 10% compared to previous year's 2.29 million tons. Soymeal exports in Apr-Nov fell to 1.42 MT from 1.65 MT. Rapeseed meal exports fell to 536,850 tons from 593,325 tons. China's demand reduced because of better

local crushing this subsequently declined in exports of rapeseed meal, soymeal and groundnut meal. India's oilmeal exports in November increased nearly 1.3 percent from the same month a year earlier to 590,825 tonnes due to higher demand from importing countries, a leading trade body said on Saturday. But exports in the eight months to end-November fell 10.2 percent to 2.2 million tonnes, mainly due to a drop in soymeal sales to 1.42 million tonnes from 1.65 million tonnes a year ago, the Solvent Extractors' Association said in a statement. Lower rapeseed meal exports, which were at 536,850 tonnes from 593,325 tonnes, also

contributed to the overall decline. Vietnam, South Korea, China and Japan remained among the leading importers of Indian oilmeal.

#### Soy Meal Price Drivers-

- Logistics problem at Ports
- Expectation of higher soymeal exports in 2007-08.
- Higher soymeal exports in Nov
- Prospects of higher soymeal export on lower crop in US and China
- Attractive parities at current levels
- Freight advantage from other meal exporter like Brazil and Argentina
- Marked lower arrivals of beans

#### Outlook-

##### Short term (one week)

- ☞ Prices of meal are likely to trade firm in near term.

#### DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		15.12.07	08.12.07
1.	Indore (MP)	14500	13600
2.	Kota	14000	13300

#### Rape/ Mustard meal

Prices of mustard oil cake at Jaipur were firm on Saturday in regional/local markets. At Jaipur, mustard meal traded at Rs.847.50/MT on Saturday which up on Friday's level of Rs.842.50/MT. However, India's rapeseed crop is showing minor signs of recovery after receiving rains in the major growing areas of Rajasthan and Madhya Pradesh. According to the head of the country's largest rapeseed oil extraction company the overall production is expected to be lower this year due to a sharp fall in acreage. Crop prospects is expected to marginally improved due to the late showers in Rajasthan and Madhya Pradesh and the production is estimated at around 5.2 million to 5.3 million metric tons against the previous estimates of less than 5.0 million tons. India's rapeseed production this year is around 5.8 million tons compared to 6.8 million tons the previous year. India's rapeseed production is crucial for determining the country's overall edible oil imports as the oilseed has higher oil content. According to the latest government data, India's rapeseed acreage is down around 12% as of first week of December at 5.59 million hectares. The higher MSP of other commodities like wheat and pulses in comparison to mustard, by the government, this year has diverted the farmers of rapeseed growing area towards wheat at the same time unusually warm weather at the showing time kept farmers away from the oilseed. As

3.	Nanded/Latur	14000/14300	13600/13800
4.	Dhulia/Jalna	14600	14400
5.	Nagpur (41/45)	13800-14100	13000
6.	Sangli	14600	14200
7.	Dharwar	14900	-

#### Soy Meal Vessel Report (15.12.07)

##### Current vessel positions in different ports: -

##### Kandla: -

Vessel **MV Stella M** was expected to arrive on 07.12.07. It would load 8,000 MT of SBM. Seacrest agent is handling the vessel.

Vessel **M.V. GULF PRIDE** was expected to arrive on 14.12.07. It would load 8,400 MT of RSM. Seacrest agent is handling the vessel.

Vessel **M.V. FUSHIMI** has berthed on 08.12.07. It would load 14,500 MT of SBM/RSM. Taurus agent is handling the vessel.

##### Mumbai:-

Vessel **Badulu valley - VI** has arrived on 07.12.07. It would load 3400 MT of SBM. Sai Freight P.Ltd. is handling the vessel.

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 meal

Spot groundnut complex sentiment were firm on Saturday amidst firm physical demands, considering the 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 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 firm on Saturday and traded between the price range of Rs.516-517 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.673-674 per 10 kg on Saturday. The Solvent Extractors' Association of India has just 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.

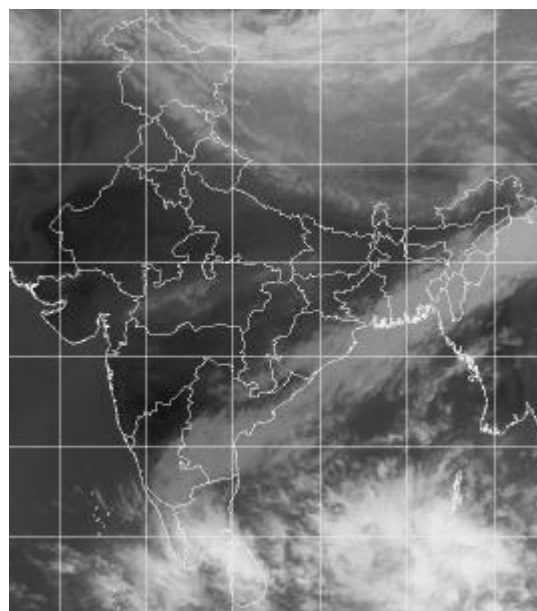
### Monsoon Outlook and salient features observed during the week.

- Last week's upper air cyclonic circulation in lower tropospheric levels over Jammu & Kashmir and neighbourhood moved away eastwards on 6th.
- A western disturbance as an upper air system lay over north Pakistan & adjoining Jammu & Kashmir on 6th , over Jammu & Kashmir and neighbourhood on 7th and moved away eastward thereafter.
- Another western disturbance as an upper air system lay over north Pakistan & adjoining Jammu & Kashmir on 9th , over Jammu & Kashmir and neighbourhood on 10th , over Himachal Pradesh & neighbourhood on 11th and moved away eastward on 12th.
- An upper air cyclonic circulation in lower tropospheric levels lay over Rajasthan & neighbourhood on 11th and over West Madhya Pradesh & neighbourhood on 12th.
- Easterly waves sometimes embedded with upper air cyclonic circulations at lower tropospheric levels passed through Andaman & Nicobar Islands, South Bay of Bengal, extreme south peninsula and southeast Arabian Sea. Under its influence, a low pressure area formed over southwest Bay of Bengal off southeast coast of Sri Lanka on 11th. It persisted over the same area on 12th..

### Outlook for week ending 19<sup>th</sup> December 2007.

- Fairly widespread rain/thundershowers with isolated heavy to very heavy falls are likely over extreme south peninsula during first half of the week.
- Cold wave conditions are likely to develop over plains of northwest India, West Madhya Pradesh and Rajasthan during second half of the week.
- Fog conditions are likely over some parts in the plains of northwest India.

### Weather Map [ As on 15.12.07]



Source: - IMD

### Forex: -

#### Forex rate as on 15.12.07 and 08.12.07

Country/ Continent	Currency	Value in Rupees [15.12.07]	Value in Rupees [08.12.07]
USA	Dollar	39.35	39.41
European Union	Euro	56.76	57.75
Japan	100 Yen	34.73	35.28
United Kingdom	GBP	79.47	79.95

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