

OILMEAL

18 December 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed firm sentiments

DOMESTIC MARKET

Soy meal

Soymeal prices were firm at major markets on Monday following increase in port prices coupled with firm soybean complex at global and domestic markets. At ports soymeal is fetching US \$402-03 FAS. There is congestion at Mumbai and Vizag ports, while Mumbai port is operational without any congestion. However, according to Solvent Extractors' Association exports of oil meal in the August 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.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	17.12.07	15.12.07	Parity To
Indore (MP)	14600-700	14500	Gujarat, MP
Kota	14200	14000	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	14700/14800	14000/14300	Andhra, AP, Kar, TN
Dhulia/Jalna	15100	14600	Mumbai Maharashtra
Nagpur (41/45)	14000-300	13800-14100	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	15200	14600	Local and South
Dharwar	15500	14900	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	17.12.07	15.12.07
Kandla	15600-15700	15500-15600
Mumbai	15500D/15700J	15500D/15700J

Current vessel positions in different ports: -

Kandla: -

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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.

Rape/ Mustard Meal: -

Prices of mustard oil cake at Jaipur were firm on Monday in regional/local markets. At Jaipur, mustard meal traded at Rs.872.50/MT on Saturday which is up on Saturday's level of Rs. 847.50/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 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 sentiment were firm on Monday amidst firm physical demands, considering the 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 firm on Monday and traded between the price range of Rs.523–524 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.679–680 per 10 kg on Monday. 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.

CBOT Soy Meal Futures as on December 15, 2007 [Open Auction]

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

#CBOT remain closed on Saturday

Monsoon Outlook (17.12.07)

Chief Features:

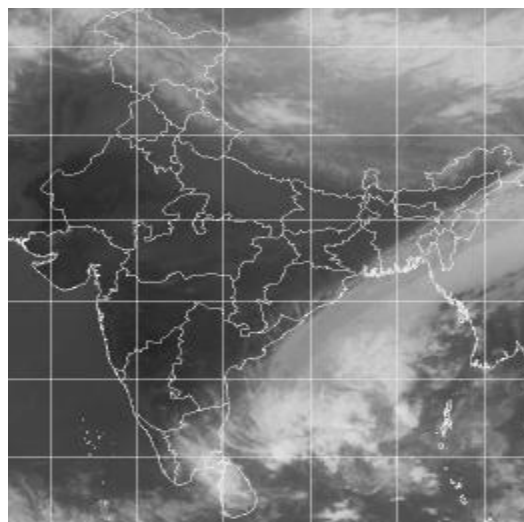
- Cold wave conditions prevailed over some parts of Rajasthan, Haryana, Punjab and Jammu & Kashmir. Minimum temperatures are also below normal by 2-3°C over remaining parts of northwest India, Rajasthan and adjoining central India.
- Under the influence of an approaching western disturbance, increase in minimum temperatures are likely over the above regions from tomorrow during subsequent 2 days leading to abatement of cold wave conditions.
- 2-4°C below normal minimum temperature conditions over East Uttar Pradesh and Bihar are likely to continue during next 2-3 days.
- Under the influence of a trough in easterlies over southwest Bay of Bengal, fairly widespread rainfall with isolated heavy to very heavy falls is likely over extreme south peninsula during next 2-3 days.

Outlook for subsequent two days from 1430 hours IST of 20th December, 2007 (Based on numerical weather products):

- Decrease in rainfall activity is likely over extreme south peninsula.

Source: GOI (IMD)

Weather Map [As on 17.12.07]



Source-IMD

FOREX RATE AS ON 17.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.37
European Union	Euro	56.83
Japan	100 Yen	34.82
United Kingdom	GBP	79.47

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