

## OILMEAL

03 December, 2007

### MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects steady to firm sentiments

### DOMESTIC MARKET

#### Soy meal

Amidst weak soymeal sentiment at ports on continuing logistic problem at ports (Mumbai & Kandla) coupled with weak international market (CBOT), pressured the soymeal prices across the major markets. Country exported only a third of soymeal out of 20 lakh tonnes contracted so far this season. Weakness in soybean and oil also added negative tone on Saturday. At CBOT, amidst weakness in gold and crude oil prices coupled with surging dollar along with lack of fresh demand from China pressured the entire soy complex. Sell-off in wheat market and higher deliveries further added negative tone. The Deliveries on 1st notice day for Dec. oil came at 7,471 contracts, higher than trade expectation of 2,000-4,000 contracts. Meal deliveries came at 1,383 contracts, higher than expectations of 200-500 contracts. Malaysian palm oil exports were down 2.2% in November Vs October, which also pressurized oil.

#### Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	01.12.07	30.11.07	Parity To
Indore (MP)	13200	13200	Gujarat, MP
Kota	12950	13000	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13500 / 13700	13300-400	Andhra, AP, Kar, TN
Dhulia/Jalna	13900	14000	Mumbai Maharashtra
Nagpur (41/45)	12500-12800	13000	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14200	-	Local and South
Dharwar	14400	-	Karnataka, Tamil Nadu

#### DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	01.12.07	30.11.07
Kandla	13950-14050	14,200
Mumbai	14350-14450	14,400

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

##### Kandla: -

Vessel **MV Pulau Cebu** has berthed 15.10.07. It would load 10,500 MT of SBM. Taurus agent is handling the vessel.

Vessel **MV Wakasa** has berthed 19.10.07. It would load 10,500 MT of SBM. Taurus agent is handling the vessel.

Vessel **MV Asha Manan** has berthed on 18.10.07. It would load 15,000 MT of SBM+CSM. Taurus agent is handling the vessel.

Vessel **MV Poseidon** was expected to arrive on 19.09.07. It would load 11,000 MT of SBM. Taurus agent is handling the vessel.

Vessel **Iran Broojerdi** has berthed on 02.10.07. It would load 14,500 MT of SBM/RSM. Taurus agent is handling the vessel.

**MV. Hazel Ace** has berthed on 30.09.07. It would load 8,400 MT of SBM. Taurus agent is handling the vessel.

##### Mumbai: -

Vessel **Badulu valley - VI** was expected to arrive on 09.11.07. 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 stood steady at Thursday's level on expectation of higher meal export this season coupled with expectation of lower production this year. Weakness in mustard seed and oil prices on Friday is seen limiting the upside. At Jaipur, prices stood steady at Thursday's price level of Rs 841-842/MT. Meanwhile, Country's major winter oilseed Rapeseed / Mustard sowing fell to 5.27 million hectares as of November 30th against 6.13 million hectares corresponding period last year. As per Solvent Extractors Association of India's rapeseed/mustard meal exports declined to 457,600 tonnes during April-October period this year from 525,075 tonnes in corresponding period last year and around 3,90,050 MT of rapeseed DOC was exported during April-September 2007 period compared to 4,51,075 MT corresponding period last.

#### Groundnut DOC: -

Spot prices of groundnut complex witnessed steady to weak sentiment on Friday amidst mild demand-against normal supply. Weakness in other seed and edible oil further added negative tone on Friday. However, 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 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 higher domestic prices. Around 15,000-20,000 tonne 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. Another cargo of 5,000 tonne is due for shipment to Europe's Rotterdam port after Dec. 10.

#### CBOT Soy Meal Futures as on December 1<sup>st</sup> [Open Auction]

Month	Open	High	Low	Close	Chg
Dec07	286.8	292.5	286.5	288.3	-3.8
March 08	295	301.5	295	297.7	-3.8

### Monsoon Outlook (01.12.07)

#### Chief Features:

- The western disturbance over Jammu & Kashmir and adjoining areas moved away and another western disturbance lies over Pakistan and adjoining northwest India. Under the influence of western disturbance light to scattered precipitation is likely over northwest India and adjoining Rajasthan till 3rd December morning.
- Subsequently both day and night temperatures are likely to fall by 2-4 °C over northwest India and central India.
- The current meteorological analysis and numerical weather prediction models suggest that density and duration of fog over plains of northwest India is also likely to increase from 3rd December onwards.

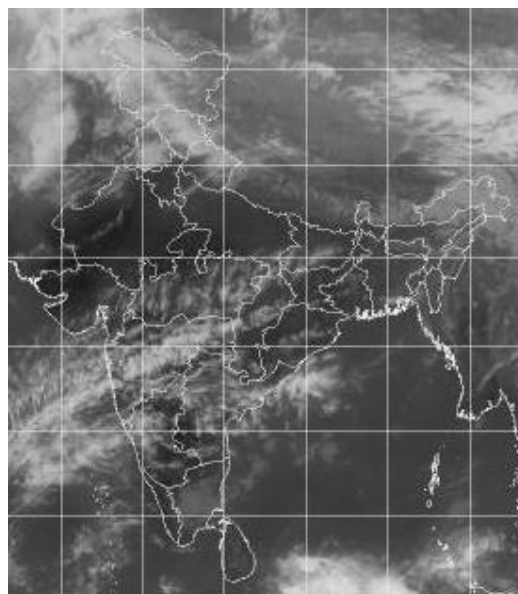
#### Outlook for subsequent two days from 1430 hours IST of 4<sup>th</sup> December, 2007 (Based on numerical weather products):

- Mainly dry weather is likely over northwest India.
- Day and night temperatures are likely to fall over northwest India and central India. Density and duration of fog over plains of northwest India is also likely to increase.

Source: GOI (IMD)

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 reported at Rs 512-513 against Rs 515-517 on Thursday in different markets of Gujarat. In Rajkot market groundnut oil reported at Rs 670-671/10 Kg against Rs 676-678/10 Kg on Thursday. 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 October 2006.

### Weather Map [As on 01.12.07]



Source-IMD

### FOREX RATE AS ON 01.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.67
European Union	Euro	58.46
Japan	100 Yen	35.94
United Kingdom	GBP	81.78

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