

OILMEAL

28th December 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed firm sentiment

DOMESTIC MARKET

Soy meal

Soymeal spot prices were firm at major markets on Thursday amid strong overseas demand and firm sentiments at Indian ports. At Indian ports the meal is fetching \$406-410, FAS. Prices of soybean at futures market have gained new highs. At CBOT soybean futures ended at fresh 34-year highs as a result of strong gains in Asian and outside markets, record high close for palm oil futures at BMD and stronger soybean futures at Dalian Commodity Exchange, firmer crude oil and metal contributed to the bullish tone at CBOT. March soybeans contract stood high at \$12.45 1/2, above previous high of \$12. Soybeans have technical strength after hitting fresh historic highs, traders said. The market is nearing all-time high of \$12.90. Further expectations of strong demand from China will continue. Weekly inspections for soybeans as of December 20th, came in at 25.838 million bushels, down from 37.801 million the week before. This brings the cumulative inspections for the marketing year so far to 41.3% of the USDA forecast for the entire year, somewhat short of the 43.4% 5 year average for this time of the year..

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	27.12.07	26.12.07	Parity To
Indore (MP)	15020	15000	Gujarat, MP
Kota	14900	14600	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	15500/15700	15200/15400	Andhra, AP, Kar, TN
Dhulia/Jalna	15500/15700	15500	Mumbai Maharashtra
Nagpur (41/45)	14700-900	14300-14600	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	16000-100	15700	Local and South
Dharwar	-	-	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	27.12.07	26.12.07
Kandla	16100-200	15650-15700
Mumbai	16000	15850D/15900J

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 markets were weak on Thursday. At Jaipur, mustard meal traded between the price range of Rs.907-908/MT on Thursday compared to the price level of Rs.912-913/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. 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 Thursday, amid 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 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 Thursday at price level of Rs. 522-523 per 20 compared to the price levels of Rs. 521-522 per

20 kg on Wednesday in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at the price level of Rs.672-673 on Thursday compared to the price level of Rs. 671-672 per 10 kg on Wednesday. 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 compared 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 27, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Jan 08	332.0	341.5	331.0	337.7	+8.5
March 08	338.5	348.7	338.4	345.1	+8.6

#CBOT remain closed on Saturday

Monsoon Outlook (27.12.07)

Chief Features:

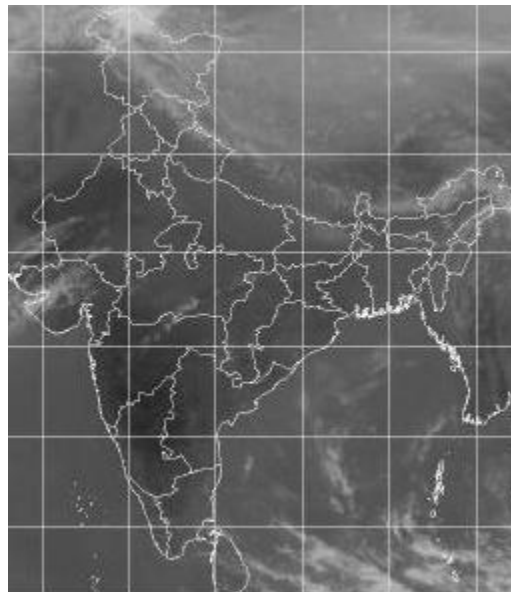
- Mainly dry weather conditions are likely to prevail over most parts of the country during next 3-4 days.
- The current meteorological analysis and Numerical Weather Prediction models suggest that no significant change in minimum temperature is likely over Rajasthan and northwest India during next 2-3 days. Fog conditions are also likely over some parts of northwest India, Rajasthan, Uttar Pradesh and Bihar during the same period.

Outlook for subsequent two days from 1430 hours IST of 30th December, 2007 (Based on numerical weather products):

- Fog conditions are likely to continue over some parts of Rajasthan and plains of northwest India.

Source: GOI (IMD)

Weather Map [As on 27.12.07]



Source-IMD

FOREX RATE AS ON 27.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.43
European Union	Euro	57.22
Japan	100 Yen	34.52
United Kingdom	GBP	78.40

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