

OILMEAL

15 December 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed firm sentiments

DOMESTIC MARKET

Soy meal

Soymeal spot prices witnessed firm on Friday. At ports soymeal is fetching at US \$39-94 FAS. Bulk deliveries in meal, weakness in crude oil and gold induced traders for profit taking on ideas of market in overbought condition. Surge in dollar and confusion over 2008 soybean plantation as current prices are not lucrative enough to lure farmers also pressurized the market. However, bullish week exports sales report and anticipation for squeezing ending stock of soybean cushioned the weakness to certain extent. The weekly exports sales of soybean totaled at 972,400 tonnes against trade expectation between 600,000-700,000 tonnes, meal sales remain at 96,200 tonnes from trade expectation between 75,000-125,000 tonnes and oil sales stood at 42,100 tonnes from trade expectation between 10,000-20,000 tonnes.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	14.12.07	13.12.07	Parity To
Indore (MP)	14200	14200	Gujarat, MP
Kota	13800	13700	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	14000/14300	13800/14000	Andhra, AP, Kar, TN
Dhulia/Jalna	14600	14500	Mumbai Maharashtra
Nagpur (41/45)	13600-13900	13600-13900	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14600	14500	Local and South
Dharwar	14900	14700	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	13.12.07	13.12.07
Kandla	15100-15150	15100-15200
Mumbai	15000D/15200J	15100D/15300J

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 steady on Friday in regional exchanges and local markets. At Jaipur, mustard meal traded at Rs.842.50/MT on Friday which was similar to Thursday'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 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 prices of groundnut complex witnessed firm sentiment on Friday 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 Friday and traded between the price range of Rs.514-515 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.668-669 per 10 kg on Friday. 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 14, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Dec07	318.5	323.6	318.5	321.2	+1.7
March 08	327.5	332.6	327	327.7	-0.5

Monsoon Outlook (14.12.07)

Chief Features:

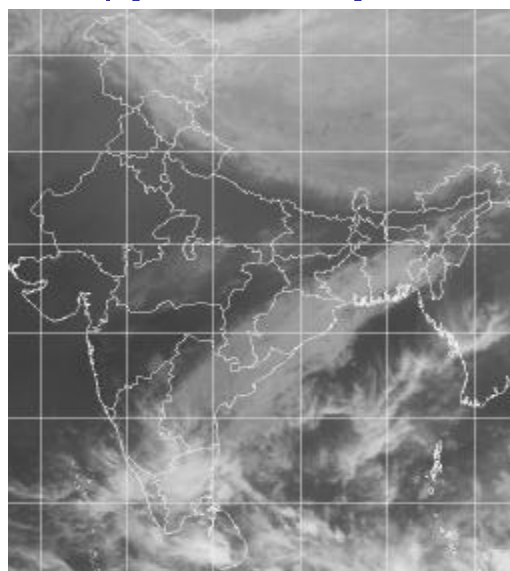
- The well marked low pressure area now lies over southwest Bay of Bengal and adjoining coastal areas of south Tamil Nadu & north Sri Lanka. This system is likely to cause, fairly widespread rainfall with isolated heavy to very heavy fall over Tamil Nadu during next 24 hours and decrease thereafter. The system is also likely to cause, fairly widespread rainfall with isolated heavy fall over Kerala during next 48 hours.
- The current meteorological analysis and numerical weather prediction models suggest fall in minimum temperatures by 3-4°C over plains of northwest India, Gujarat, Rajasthan and adjoining central India during next 3-4 days. Cold wave conditions are likely to develop over some parts of plains of northwest India, Rajasthan and Gujarat during the same period

Outlook for subsequent two days from 1430 hours IST of 17th December, 2007 (Based on numerical weather products):

- Isolated to scattered rainfall activity is likely over extreme south peninsula.
- Cold wave condition is likely over Rajasthan, Gujarat and plains of northwest India..

Source: GOI (IMD)

Weather Map [As on 14.12.07]



Source-IMD

FOREX RATE AS ON 14.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.35
European Union	Euro	57.62
Japan	100 Yen	35.00
United Kingdom	GBP	80.36

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