

OILMEAL

13 December 2007

## MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects steady to firm sentiments

## DOMESTIC MARKET

### Soy meal

Soymeal prices remained steady to firm on Wednesday following firm soy oil prices and firm soymeal sentiment at ports. Prices at major markets remained steady to firm. However, soymeal prices at Indore opened firm compared to previous day and traded at Rs.14327-14378/MT on Wednesday. Soymeal sentiments at ports are still firm following higher soymeal exports during November'07 with expectations of higher soymeal export this year due to lower crop in US and China apart from demand at local/regional markets. At ports soymeal is fetching at US \$385-89 FAS. With supportive USDA monthly supply and demand soy complex firmed up but the gains were limited by weakness in corn and wheat, but this seems supportive to soymeal prices. The world soybean ending stocks for the 2007/08 season is estimated at 47.32 mmt from 49.35 mmt last month and from 61.11 mmt for 2006/07. Brazilian soybean production remains unchanged at 62 mmt while others estimation is pointing under 60 mmt. Chinese import demand had revised up to 34 mmt with a boost of 500,000 tonnes. Lower than projected usage of soy oil in US and weak demand from Biodiesel producers on depreciating profits that has raised the soy oil stocks to 2.162 billion pounds from 2.017 billion pounds. Farmers have also lowered their selling due to winter weather. 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.

### Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	12.12.07	11.12.07	Parity To
Indore (MP)	14100	14000-100	Gujarat, MP
Kota	13500	13400	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13600/13800	13800/14000	Andhra, AP, Kar, TN
Dhulia/Jalna	14400	14400	Mumbai Maharashtra
Nagpur (41/45)	13400-13700	13400-700	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14400	14200	Local and South
Dharwar	14600	14500	Karnataka, Tamil Nadu

### DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	12.12.07	11.12.07
Kandla	15000-15100	14900-15100
Mumbai	14900-15100	15000-100

### 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 are firm on Wednesday due to the higher demand and lower arrivals of mustard seed in regional exchanges and local markets. At Jaipur, mustard meal traded up at Rs.847.50/MT on Wednesday compared to Tuesday's level of Rs.837.50/MT. Meanwhile, according to Solvent Extractors' Association of India's mustard seed promotion council, India's mustard seed output is expected only at around 6 MMT in 2007-08 Rabi season, due to a slower sowing pace on the back of inadequate soil moisture. However, favourable climatic conditions in western Indian region may add momentum to sowing, to some extent which generally extends till Dec.15 and is favourable for early sowing crop. 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 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 Wednesday 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 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 Wednesday and traded between the price range of Rs.512-513 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.668-669 per 10 kg on Wednesday. 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 12, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Dec07	310.0	315.0	310.0	315.0	+3.5
March 08	320.5	324.7	319.0	324.4	+4.8

### Monsoon Outlook (12.12.07)

#### Chief Features:

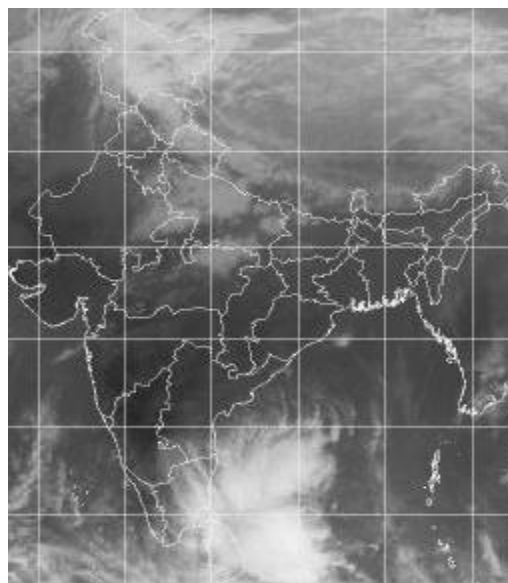
- The low pressure area over southwest Bay of Bengal off southeast coast of Sri Lanka persists. Under its influence, scattered to fairly widespread rainfall activity is likely over coastal and adjoining interior Tamil Nadu during next 2-3 days.
- The current meteorological analysis and numerical weather prediction models suggest isolated to scattered rain/snow is likely over Western Himalayan Region during next 2-3 days. Isolated rain/thundershowers are also likely over plains of northwest India during next 24 hours.
- The current scenario suggest no significant change in minimum temperatures over plains of northwest India during next 24 hours and fall by 2-3 °C thereafter. Fog condition is also likely over some parts of plains of northwest India after 24 hours.

#### Outlook for subsequent two days from 1430 hours IST of 15<sup>th</sup> December, 2007 (Based on numerical weather products):

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

Source: GOI (IMD)

### Weather Map [As on 12.12.07]



Source-IMD

### FOREX RATE AS ON 12.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.36
European Union	Euro	57.79
Japan	100 Yen	35.44
United Kingdom	GBP	80.31

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