

OILMEAL

08 December, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects steady to firm sentiments

DOMESTIC MARKET

Soy meal

Soymeal prices improve further on Friday amidst firm soymeal sentiment at ports on higher soymeal exports during November'07 coupled with expectations of higher soymeal export this year following lower crop in US and China. At ports soymeal is fetching at US \$367-70 FAS. According to SOPA, country's soymeal export during Nov'07 stood at 531268 MT against 360971 MT during corresponding period last year, up 47.18% over the last year. Though total exports of soymeal for the financial year April-November'07 is down at 1465068 MT as against 2039395 MT during the same period last year, down 28.16% over the last year. The Exports during Oct'07-Nov'07 was 701720 MT as compared to 605368 MT a 15.92 % growth over the last year. During current oil year country has exported 188391 MT to Vietnam, 155185 MT to Japan, 91180 MT to Thailand, 69428 MT to China and 68987 MT to Indonesia as against 115330 MT, 62840 MT, 72577 MT, 21147 MT and 135108 MT during last oil year. Exports to Vietnam, Japan, Thailand and China have shown appreciable increase, whereas exports to Indonesia have declined. At CBOT, Thin trading and weakness in outside markets induced strong selling pressure on soy complex despite bullish exports report and recovery in gold and crude oil. China was the major buyer throughout the year and soybean sales rose to more than half of total exports than normal one third of total exports. The USDA weekly exports report for soybean stood at 993,500 tonnes high from trade expectation between 600,000-800,000 tonnes, meal sales totaled at 163,400 tonnes from 125,000-150,000 tonnes and oil sales remained at 41,000 tonnes from trade expectations from 10,000-20,000 tonnes.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	07.12.07	06.12.07	Parity To
Indore (MP)	13400	13300	Gujarat, MP
Kota	13100	13000	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	14200	13400/13600	Andhra, AP, Kar, TN
Dhulia/Jalna	14200	14200	Mumbai Maharashtra
Nagpur (41/45)	12800-13100	12700-13000	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14100	14100	Local and South
Dharwar	14400	14400	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	07.12.07	06.12.07
Kandla	14300-14400	14300-14400
Mumbai	14500-600	14500-700

Current vessel positions in different ports: -

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. HAN ZHONG MEN** was expected to arrive on 02.12.07. It would load 15,000 MT of RSM/CSM. 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.

Vessel **M.V. Envoyager** has berthed on 28.11.07. It would load 14,000 MT of SBM. 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 are weak on Friday amidst weakness in mustard oil and seed. However, expectation of higher meal exports coupled with expectation of lower mustard seed production this season is seen limiting the downside. At Jaipur, prices declined from Thursday's price level of Rs.842-843/MT to Rs.835-836/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 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 weak sentiment on Friday amidst weak physical demands. Good physical demand of groundnut seed at lower prices has supported prices to move up. But steady groundnut oil sentiment following weakness in other edible oil capped the gains to some extent. However, 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. Another cargo of 5,000 tonne is due for shipment to Europe's Rotterdam port after Dec. 10. 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 weak at Thursday's level of Rs 506-507 per 20Kg to Rs.504-505 per 20 kg on Friday in different markets of Gujarat. In Rajkot market groundnut oil was weak from the Thursday's level Rs.661-662 per 10 Kg to Rs.655-656 per 10 kg. 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.

CBOT Soy Meal Futures as on December 5th [Open Auction]

Month	Open	High	Low	Close	Chg
Dec07	300	301.8	299	299.6	-1
March 08	307.8	309.5	307.2	307.5	-0.7

Monsoon Outlook (07.12.07)

Chief Features:

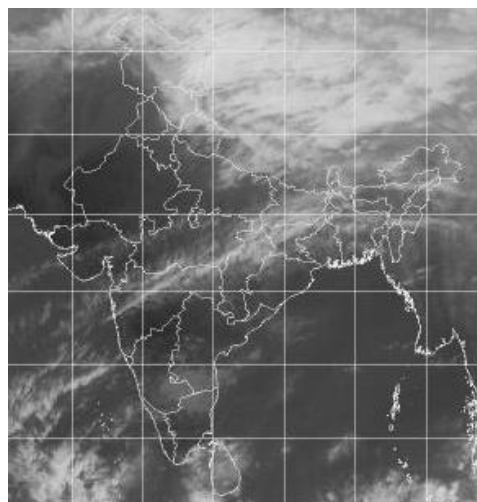
- Under the influence of a western disturbance over Jammu & Kashmir and neighbourhood Isolated rain/snow is likely over western Himalayan Region during next 24 hours.
- Numerical weather prediction models suggest that an another western disturbance is likely to affect Western Himalayan Region from 9th onwards for the next 2-3 days.
- Current meteorological analysis and numerical weather prediction models suggest that no significant change is likely to occur in minimum temperatures during next 24 hours and increase by 2-3 °C thereafter over northwest India.

Outlook for subsequent two days from 1430 hours IST of 9th December, 2007 (Based on numerical weather products):

- Scattered precipitation activity is likely to continue over Western Himalayan Region..

Source: GOI (IMD)

Weather Map [As on 07.12.07]



Source-IMD

FOREX RATE AS ON 07.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.41
European Union	Euro	57.58
Japan	100 Yen	35.42
United Kingdom	GBP	79.81

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