

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments reflected firm.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Soybean Cake and Meal: Net sales of 73,300 MT--a marketing-year low--were 35 percent below the previous week and 43 percent under the prior 4-week average. Increases reported for Canada (21,000 MT), Guatemala

(19,800 MT), Mexico (14,200 MT), and the Dominican Republic (7,800 MT), were partially offset by decreases for Turkey (8,000 MT). Exports of 100,100 MT were 15 percent below the previous week and 34 percent under the prior 4-week average. The primary destinations were Canada (20,700 MT), Mexico (18,700 MT), the Dominican Republic (13,000 MT), Cuba (12,300 MT), and Egypt (8,700 MT). Source: USDA

Export of Oil meal (Extractions) from April '06 to November '07 with comparative period of previous year (Qty. in MT)

Month	S.B.EXT	R.S.EXT.	G.N.EXT	R.B.EXT.	S.F.EXT.	CST.EXT.	TOTAL
April 2006	316,925	53,425	12,400	5,650	---	10,825	399,225
	99,250	90,900	12,950	---	----	17,800	220,900
May 2006	140,075	77,400	18,525	4,750	---	15,575	256,325
	156,100	69,650	3,025	6,875	----	50,200	285,850
June 2006	108,975	79,900	12,175	11,000	---	7,600	219,650
	115,750	53,975	8,900	12,675	----	20,225	211,525
July 2006	119,450	49,500	---	11,000	---	---	179,950
	135,550	45,750	17,700	16,500	----	11,525	227,025
August 2006	111,075	98,075	---	29,500	---	15,350	254,000
	112,575	43,825	15,100	5,033	----	11,325	187,858
September 2006	179,475	92,775	5,000	32,850	---	14,225	324,325
	102,675	31,025	8,500	---	----	15,950	158,150
October 2006	219,500	74,000	---	21,950	---	17,175	332,625
	160,250	37,250	8,825	---	----	3,100	209,425
November 2006	457,450	68,250	3,200	21,900	---	32,450	583,250
	266,675	21,725	2,200	12,867	----	18,225	321,692
December 2006	506,300	63,500	14,250	18,550	---	24,075	626,675
	492,950	47,400	18,000	6,500	750	14,100	579,700
January 2007	505,975	91,650	5,000	24,925	---	18,900	646,450
	483,225	16,975	8,400	25,950	----	14,175	548,725
February 2007	449,975	97,650	---	18,500	---	26,650	592,775
	587,425	28,750	3,850	29,425	----	12,800	662,250
March 2007	546,700	124,600	13,100	51,700	---	19,350	755,450
	712,175	46,050	30,475	9,500	----	11,725	809,925
April 2007	250,775	108,375	4,500	33,200	---	36,100	432,950

	316,925	53,425	12,400	5,650	----	10,825	399,225
May 2007	110,050	74,225	---	6,050	---	39,700	230,025
	140,075	77,400	18,525	4,750	----	15,575	256,325
June 2007	64,075	51,825	275	16,025	---	21,425	153,625
	108,975	79,900	12,175	11,000	----	7,600	219,650
July 2007	66,700	46,075	----	11,650	---	15,750	140,175
	119,450	49,500	----	11,000	----	----	179,950
August 2007	47,225	41,375	----	12,275	---	21,975	122,850
	111,075	98,075	----	29,500	----	15,350	254,000
September 2007	236,450	68,175	7,500	12,275	---	28,400	352,800
	179,475	92,775	5,000	32,850	----	14,225	324,325
October 2007	167,700	63,125	200	11,950	---	16,725	259,700
	219,500	74,000	----	21,950	----	17,175	332,625
November 2007	480,025	79,250	----	5,525	----	26,025	590,825
	457,450	68,250	3,200	21,900	----	32,450	583,250
2006-2007(F.Y.)	3,661,875	970,725	83,650	252,275	---	202,175	5,170,700
2005-2006(F.Y.)	3,424,600	533,275	137,925	125,325	750	201,150	4,423,025
2004-2005(F.Y.)	1,861,325	588,805	121,475	43,056	4,790	70,750	2,690,201
2003-2004(F.Y.)	2,683,675	447,050	126,750	---	---	65,550	3,323,025

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS [29.12.07]

CBOT Soy futures witnessed weak on Saturday

At CBOT soybean futures finished lower as the market is keen towards index funds to sell shortly after the New Year. Traders expect the funds to rebalance their positions by selling thousands of soybean and wheat contracts and by buying corn. According to AgResource Company funds will have to sell 32,000-36,000 contracts of wheat and soybeans and secure 19,000-21,000 contracts of corn. The

late pullback in soybean and meal came after the market rose in early trading. Soybean oil finished higher in all the future contracts despite the sharp drops in soybeans and meal. Prices remained in positive territory for most of the day session as spillover support from outside markets. Soybeans are still technically strong after hitting 34-year highs.

CBOT Soy Meal Futures as on 29th December 2007.

Month	Open	High	Low	Close	Chg
Jan 08	339.8	340.2	325.0	326.0	-9.9
March 08	346.5	347.6	332.0	333.5	-10.4

CBOT Remains Close on Saturday and Sunday

Note: - Values in parentheses (#) are for Monday

DOMESTIC MARKETS

Soy meal

Soybean spot market traded firm during the week amid continued strong demand from plants/crushers on expectation of overseas soymeal demand, especially south-east Asian countries. The solvent extraction units in the country are in full swing crushing the bean with higher demand of soymeal whose price is nearly doubled compared to previous year, which is around \$400 a ton, excluding freight costs, although domestic soybean prices increased to Rs.2,000/qlt. Improved soybean crop this year helped the domestic crushing units this year, the production is estimated at around 94.6 lakh tons against 79.6 lakh tons last year. According to the Solvent Extractors Association of India (SEA) it is for the first in the last five years that no shipment

of soyoil was received in November. Again Firm soy complex at CBOT and firm BMD seems supportive to soy price at domestic market. However, it is believed that the market, CBOT, still has underlying technical and fundamental strength after hitting 34-year highs in recent sessions. The daily arrivals of soybean at major markets this week was reported from 1.65-2.45 lakh bags compared to previous week of 3.00-3.25 lakh bags. The plant delivery price this week ranged from Rs.1950-60/qlt to Rs.2010-20/qlt compared to the price level of Rs.1870-1900/qlt to Rs.1950-63/qlt previous week. The prices of mandi ranged from 1875-1910/qlt to Rs.1990-2000/qlt compared to the price level of Rs.1800-40/qlt to Rs.1900-25/qlt previous week.

Soy Meal Price Drivers-

- Significant Increase in soymeal price
- Continued overseas soymeal demand from India
- Marked lower arrivals of beans
- Logistics problem at Ports
- Expectation of higher soymeal exports in 2007-08.
- Higher soymeal exports in Nov
- Prospects of higher soymeal export on lower global production
- Attractive parities at current levels
- Freight advantage from other meal exporter like Brazil and Argentina.

Outlook-

Short term (one week)

- ✍ Prices of meal are likely to trade firm in near term.

Rape/ Mustard meal

Prices of mustard oil cake at Jaipur markets were firm. At Jaipur, mustard meal traded between the price range of Rs.912-913/MT on Saturday compared to the price level of Rs.907-908/MT on Friday. As per the first round survey of Agricultural Ministry sowing of mustard seed between October 1 and December 14 was complete in 57.2 lakh hectares against the coverage of about 64.2 lakh hectares during the same period last year. The oilseed sowing is expected to finish next month and the edible oil industry fears that the acreage under mustard seed in 2007-08 rabi season may be lower than the previous season when a total of 72 lakh hectares were brought under oilseed cultivation. The oilseed output this rabi season is expected to fall by about 1 million ton (mt) to 6 mt compared to last year's level of 7.1 mt, according to the estimates of Solvent Extractors' Association of India. According to the industry sources the National Agricultural Cooperative Marketing Federation of India (Nafed) has a stock of 3.5 lakh tonnes. The average daily arrival of mustard seed is about 13-14 tonnes at major mandis, Sirsa, Hapur and Delhi. Recent showers over mustard growing raised some hope of more coverage of the oilseed and prompted traders to take a bearish view. 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.

DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		29.12.07	22.12.07
1.	Indore (MP)	15000-200	15000
2.	Kota	14900-15000	14600
3.	Nanded/Latur	15500-700/15800-16000	15200/15400
4.	Dhulia/Jalna	16100	15500
5.	Nagpur (41/45)	14800-15200	14400-14700
6.	Sangli	15800-16000	15600
7.	Dharwar	-	-

Soy Meal Vessel Report (29.12.07)

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.

Groundnut meal

Spot groundnut complex witnessed firm trade on during the week 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 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 Saturday at price level of Rs.526-527 per 20 kg compared to the previous price level of Rs. 524-525 per 20 kg previous week in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at the price level of Rs.675-676 per 10 kg during the period.

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 compare to 12,275 MT of groundnut meal in April-September 2007 period. No exports were witnessed for the month of November 2007.

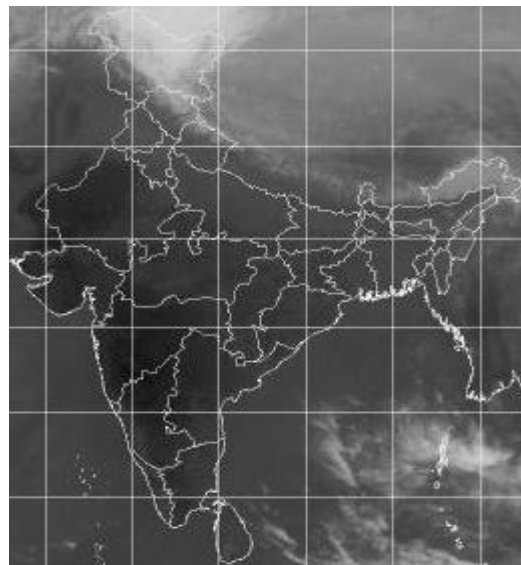
Outlook and salient features observed during the week.

- A deep trough of low pressure at mean sea level ran from southwest Bay of Bengal to west central Bay of Bengal off Tamil Nadu and Andhra Pradesh coast on 20th & 21st December.
- Another trough of low pressure at mean sea level extended from southeast Arabian Sea to east central Arabian Sea on 20th and 21st and moved away slowly westwards thereafter.
- Last week's western disturbance as an upper air system over Jammu & Kashmir and neighbourhood persisted on 20th & 21st December and moved away eastward thereafter.
- An induced cyclonic circulation at lower tropospheric levels lay over south Pakistan & adjoining Rajasthan on 20th, West Rajasthan and adjoining Pakistan during 21st to 23rd and became less marked thereafter.
- A fresh western disturbance as an upper air system lay over north Pakistan and adjoining Jammu & Kashmir on 24th and over Jammu & Kashmir and neighbourhood on 25th and 26th.
- A cyclonic circulation at lower levels lay over Nagaland, Manipur, Mizoram & Tripura (NMMT) and neighbourhood during the week..

Outlook for week ending 2nd January 2008.

- Fog conditions in morning hours are likely over some parts of Indo-Gangetic plains.
- Fall in night temperatures are likely over northwest India during second half of the week.

Weather Map [As on 29.12.07]



Source: - IMD

Forex: -

Forex rate as on 15.12.07 and 08.12.07

Country/ Continent	Currency	Value in Rupees [29.12.07]	Value in Rupees [22.12.07]
USA	Dollar	39.44	39.34
European Union	Euro	57.94	56.48
Japan	100 Yen	34.59	34.49
United Kingdom	GBP	78.87	78.01

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