

OILMEAL

17^h -22nd Dec ember 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments reflected steady.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Soybean Cake and Meal: Net sales of 111,800 MT were 17 percent above the previous week, but 17 percent below the prior 4-week average. Increases reported for Canada (29,200 MT), unknown destinations (26,800 MT),

Venezuela (13,000 MT), Mexico (10,600 MT), and Turkey (8,000 MT), were partially offset by decreases for Guatemala (10,900 MT). Exports of 117,100 MT were 15 percent below the previous week and 27 percent under the prior 4-week average. The primary destinations were Saudi Arabia (27,500 MT), Canada (24,000 MT), Mexico (11,200 MT), Colombia (8,000 MT), and El Salvador (7,500 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 [22.12.07]

CBOT Soy futures witnessed Firm on Saturday

At CBOT soybean futures rallied setting new 34-year contract highs from same long term factor, supportive underlying fundamentals and technical strength kept bullish traders enthused. Apart from it higher prices for Malaysian palm oil on supply concerns and higher crude oil prices were supportive factors to the market at CBOT. However, January meal contract could not end up as expected at

CBOT. The absence of any significant selling helped extend the gains, as sellers remain unwilling to stand in front of the bullish trend. Overall activity lacked intensity despite the double-digit gains, with some traders evening out positions ahead of an extended break during the holidays.

CBOT Soy Meal Futures as on 22nd December 2007.

Month	Open	High	Low	Close	Chg
Jan 08	326.5	329	325.1	328.2	+3.1
March 08	333.7	336.2	332.0	334.9	+3.0

CBOT Remains Close on Saturday and Sunday

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

DOMESTIC MARKETS

Soy meal

Overall the oil meal sentiment during the week was firm. During the week Indore soymeal prices ranged between the level of Rs.14500/ton to 14700/ton compared to previous week's level of Rs.13600/ton to 14200/ton while FOR Kandla price (buy price) were between the level of Rs.15550-15600 to Rs.15600-15700 compared to previous week's level of Rs.14850-15000 to Rs.15100-15200. 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 whereas, during Apr-Nov the total export fell 10% compared to previous year's 2.29 million tons. Soymeal exports in Apr-Nov fell to 1.42 MT from 1.65

MT. Rapeseed meal exports fell to 536,850 tons from 593,325 tons. China's demand reduced because of better local crushing this subsequently declined in exports of rapeseed meal, soymeal and groundnut meal.

Soy Meal Price Drivers-

- Increased 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.

DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		22.12.07	15.12.07
1.	Indore (MP)	15000	14500
2.	Kota	14600	14000

Rape/ Mustard meal

Prices of mustard oil cake at Jaipur and other regional/local markets were firm on Friday. At Jaipur, mustard meal traded at Rs.877.50/MT on Saturday the prices remained steady compared to the previous day. 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 meal

Spot groundnut complex witnessed firm trade on Saturday, 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

3.	Nanded/Latur	15200/15400	14000/14300
4.	Dhulia/Jalna	15500	14600
5.	Nagpur (41/45)	14400-14700	13800-14100
6.	Sangli	15600	14600
7.	Dharwar	-	14900

Soy Meal Vessel Report (22.12.07)

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.

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 and traded between the price levels of Rs.521-522 per 20 kg on Saturday compared to previous price level of Rs. 515-516 per 20 on Friday in different markets of Gujarat. In Rajkot market groundnut oil was traded at the price level of Rs.673-674 on Saturday compared to the price of level of Rs.668-669 per 10 kg on Friday. 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.

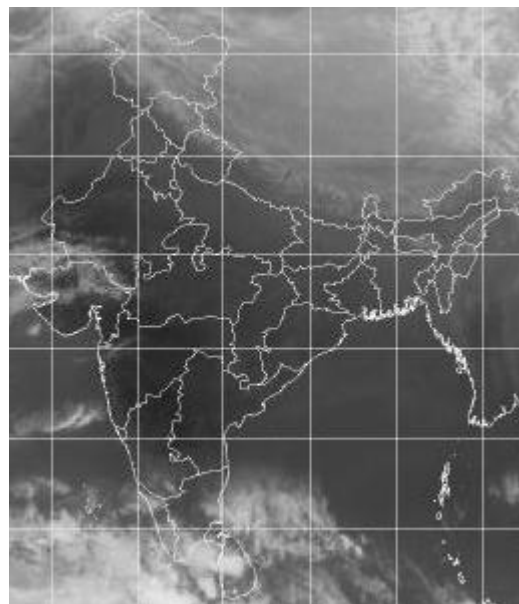
Outlook and salient features observed during the week.

- Last week's low pressure area over southwest Bay of Bengal off southeast coast of Sri Lanka became well marked over the same area on 13 December morning. The well marked low pressure area lay over southwest Bay of Bengal and adjoining coastal areas of south Tamil Nadu & north Sri Lanka, on 14th and became less marked on 15th. However, an associated cyclonic circulation extending upto mid tropospheric levels lay over Comorin area and adjoining south Tamil Nadu and Kerala and became less marked on 16th.
- Last week's upper air cyclonic circulation in lower tropospheric levels over West Madhya Pradesh and neighbourhood lay over West Uttar Pradesh and neighbourhood on 13th and became less marked on 14th.
- Easterly waves sometimes with embedded upper air cyclonic circulations at lower tropospheric levels passed through Andaman & Nicobar Islands, South Bay of Bengal, extreme south peninsula and southeast Arabian Sea.
- Cold wave conditions prevailed over some parts of Rajasthan, Haryana, Punjab, Jammu & Kashmir, East Uttar Pradesh, Bihar and Jharkhand during second half of the week.
- A western disturbance as an upper air system lay over Jammu & Kashmir and neighbourhood on 13th, over Himachal Pradesh and neighbourhood on 14th and moved away eastward thereafter.
- An another western disturbance as an upper air system lay over north Pakistan & adjoining Jammu & Kashmir on 18th, over Jammu & Kashmir and neighbourhood on 19th..

Outlook for week ending 26th December 2007.

- Scattered to fairly widespread rain/thundershowers with isolated heavy falls is likely over extreme south peninsula during first half of the week.
- The minimum temperatures are likely to remain below normal by 2-4°C over plains of northwest & East India and adjoining central India.
- Isolated to scattered rain/snow is likely over some parts of Western Himalayan Region during second half of the week.

Weather Map [As on 22.12.07]



Source: - IMD

Forex: -

Forex rate as on 15.12.07 and 08.12.07

Country/ Continent	Currency	Value in Rupees [22.12.07]	Value in Rupees [15.12.07]
USA	Dollar	39.34	39.35
European Union	Euro	56.48	56.76
Japan	100 Yen	34.49	34.73
United Kingdom	GBP	78.01	79.47

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