

OILMEAL

22 December 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed firm sentiments

DOMESTIC MARKET

Soy meal

Soymeal is traded firm in major spot markets following firm sentiment at CBOT and BMD. There is a continued overseas demand of soymeal from India amid lower production of soybean in US and China this year. The Mumbai and the Vizag ports are still reported congested while Kandla port is better. At Indian ports the FAS meal price is fetching \$398-402 which seems continuously improving. At CBOT soybean futures closed higher finding strength from bullish underlying fundamental characteristics. With tight ending stocks and bullish demand outlooks, downside potential remains limited. Supportive weekly export sales in US, which was 929,600 tons, higher than the estimated, and daily sales announcements helped buying prices as well. The weekly soybean export sales were friendly to prices, with China the primary buyer, and adding in a daily sales announcement of 165,000 tons after 145,000 tons were reported, futures seems to have a solid demand base. However, overall activity was subdued at CBOT, with light profit-taking and year-end positioning applying mild pressure to keep futures in a consolidatory phase heading into the U.S. holiday.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	21.12.07	20.12.07	Parity To
Indore (MP)	14700-800	14600-700	Gujarat, MP
Kota	14300	14000-200	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	14500-700/15100	14700-800/15000-100	Andhra, AP, Kar, TN
Dhulia/Jalna	15200-300	15200	Mumbai Maharashtra
Nagpur (41/45)	14100-14400	14000-300	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	15200-300	15000-200	Local and South
Dharwar	-	-	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	21.12.07	20.12.07
Kandla	15700-15800	15550-15600
Mumbai	15600-700	15300-400

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.

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 Friday compared to previous level of Rs.875.00/MT on Thursday. 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 and is able to sell 4,925 tonnes of mustard oil worth Rs.26 crore so far in the current financial 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 groundnut complex witnessed firm trade on Friday, 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 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 weak on Friday and traded between the price levels of Rs.515-516 per 20 kg compared to previous price level of Rs.517-518 per 20 on Thursday in different markets of Gujarat. In Rajkot market groundnut oil was traded at the price range 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.

CBOT Soy Meal Futures as on December 21, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Jan 08	323.8	327.2	322.8	325.1	+1.4
March 08	330.5	334.0	329.5	331.9	+2.1

#CBOT remain closed on Saturday

Monsoon Outlook (21.12.07)

Chief Features:

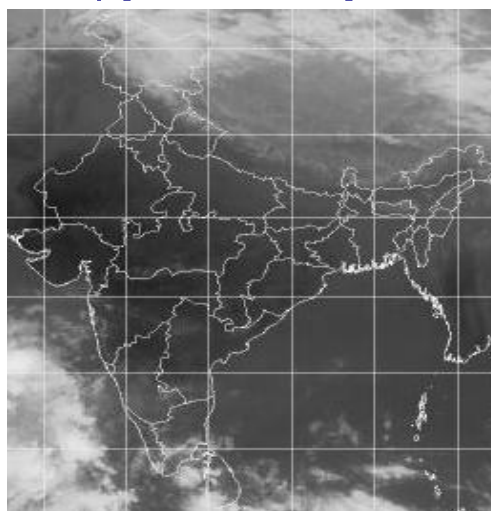
- As predicted cold wave conditions abated from Indo-Gangetic plains. Current meteorological analysis and numerical weather prediction models suggest minimum temperature are likely to remain near normal during next 2-3 days over Indo-Gangetic plains and adjoining central India.
- Under the influence of a trough with embedded cyclonic circulation over southeast Arabian Sea in easterlies, fairly widespread rainfall with isolated heavy fall is likely over Lakshadweep, Kerala and Coastal Karnataka during next 48 hours and decrease thereafter. Scattered rainfall activity is also likely over Tamil Nadu and South Interior Karnataka during the same period.

Outlook for subsequent two days from 1430 hours IST of 24th December, 2007 (Based on numerical weather products):

- Isolated to scattered rain/ snow is likely over Jammu & Kashmir and Himachal Pradesh.
- Isolated to scattered rainfall activity is likely over extreme south peninsula..

Source: GOI (IMD)

Weather Map [As on 21.12.07]



Source-IMD

FOREX RATE AS ON 21.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.57
European Union	Euro	56.86
Japan	100 Yen	34.91
United Kingdom	GBP	78.55

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