

OILMEAL

07 December, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects steady to firm sentiments

DOMESTIC MARKET

Soy meal

Soymeal prices are firm on Thursday across the major trading centers amidst firm soy meal sentiment at ports on firm soy meal and soybean prices at CBOT. Expectations of higher soy meal export this year following lower crop in US and China further supported the sentiment. At ports soy meal is fetching at US \$360-65 FAS. At CBOT, good demand of corn support meal and soybean prices. The weakness in corn and insufficient Gulf storage and loading capacity sapped the gains to certain extent. Market failed to find support from mixed weather conditions in South America. The dry weather prevails in Argentina while growing conditions were suitable in Brazil on ample moisture in central and northern parts. The bulky deliveries of soybean oil also pressure the market. The December deliveries came at 1615 contracts while meal deliveries were light at 298 contracts.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	05.12.07	05.12.07	Parity To
Indore (MP)	13300	13200	Gujarat, MP
Kota	13000	13000	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13400/13600	13400/13600	Andhra, AP, Kar, TN
Dhulia/Jalna	14200	14000	Mumbai Maharashtra
Nagpur (41/45)	12700-13000	12600-900	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)	
	06.12.07	05.12.07
Kandla	14300-14400	13900-14100
Mumbai	14500-700	14200-300

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 firm at Wednesday's level with expectation of higher meal exports coupled with expectation of lower mustard seed production this season. At Jaipur, prices firmed from Wednesday's price level of Rs.838-839/MT to Rs.842-843/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 steady to weak sentiment on Thursday 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 firm at Wednesday's level of Rs.504-505 per 20 Kg to Rs 506-507 per 20Kg on Thursday in different markets of Gujarat. In Rajkot market groundnut oil was firm from the Wednesday's level of Rs.656.65 per 10 Kg to Rs.661-662 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	297	301.1	295.5	300.6	+5.1
March 08	305	309	303.5	308.2	+5.4

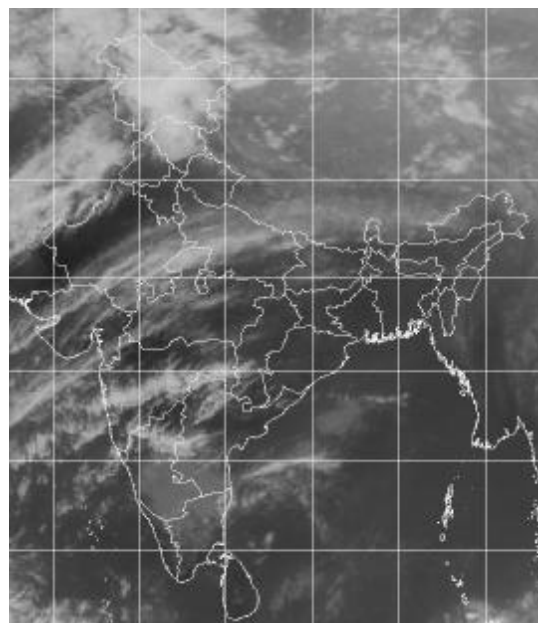
Monsoon Outlook (06.12.07)

Chief Features:

- A western disturbance over north Pakistan and adjoining Jammu & Kashmir is likely to cause isolated rain/snow over Western Himalayan Region during next 48 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 2-3 days over plains of northwest and the adjoining central India.
- Outlook for subsequent two days from 1430 hours IST of 9th December, 2007 (Based on numerical weather products):**
- Scattered rain/snow is likely over Western Himalayan Region. Isolated rain/thundershowers are also likely over adjoining plains.
 - Increase in night temperature by 2-3 °C over plains of northwest India.

Source: GOI (IMD)

Weather Map [As on 06.12.07]



Source-IMD

FOREX RATE AS ON 06.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.47
European Union	Euro	57.65
Japan	100 Yen	35.57
United Kingdom	GBP	80.09

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.