

OILMEAL

10 December 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects firm sentiments

DOMESTIC MARKET

Soy meal

Soymeal prices have remarkably improved on Saturday amidst firm soymeal sentiment at ports on firm international market (CBOT) coupled with higher soymeal exports during November'07 with expectations of higher soymeal export this year following lower crop in US and China. At ports soymeal is fetching at US \$381-85 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, The soybean complex remained firm due to the higher than expected export sales in soybean, despite lower crude oil and gold. January and March meal contracts ended up at more than \$10, with 20 cents higher in old crop contracts. Despite the reversal of the meal/oil spread in recently, oil managed to close higher. Old crop meal and soybean contracts made new contract high closes by wide margins. The market is also still being bolstered by Thursday's higher than expected export sales in soybeans, soy meal and soy oil. Statistics Canada included an estimated drop in canola to 8.750 million tons which is a meagre drop from the October estimate of 8.864 million tons, but it points to tighter world vegetable oil stocks in 2008. Overall, there was a complete lack of bearish news today. Deliveries against the December contracts today were: meal 307 contracts and oil 1,293 contracts.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	08.12.07	07.12.07	Parity To
Indore (MP)	13600	13400	Gujarat, MP
Kota	13300	13100	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13600/13800	14200	Andhra, AP, Kar, TN
Dhulia/Jalna	14400	14200	Mumbai Maharashtra

Nagpur (41/45)	13000	12800-13100	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14200	14100	Local and South
Dharwar	14500	14400	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	08.12.07	07.12.07
Kandla	14850-15000	14300-14400
Mumbai	15000-100	14500-600

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 on Saturday amidst firmness in mustard seed in regional exchanges and local markets. However, expectation of higher meal exports coupled with expectation of lower mustard seed production this season is seen limiting the downside. At Jaipur, prices improved from Friday's price level of Rs.835-836/MT to Rs.837-838/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 Saturday amidst weak physical demands. 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 Friday's level of Rs.504-505 per 20 kg to Rs 500-501 per 20Kg to on Saturday in different markets of Gujarat. In Rajkot market groundnut oil was weak from the Friday's level of Rs.655-656 per 10 kg to Rs.652-653 per 10 Kg on Saturday. 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 8, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Dec 07	302.3	310.5	301	310.5	+10.9
March 08	311	318.5	309.7	318.2	+10.7

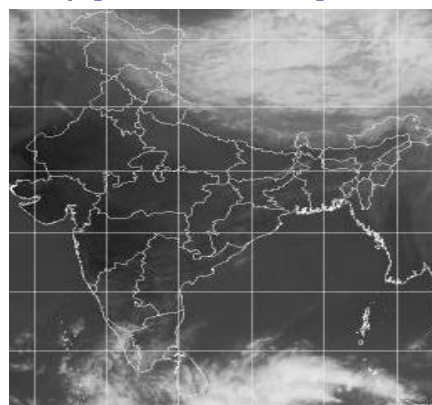
Monsoon Outlook (08.12.07)

Chief Features:

- Under the influence of an approaching western disturbance, isolated to scattered rain/snow is likely to commence over Western Himalayan Region from 9th onwards during next 2-3 days. Isolated rain/thundershowers are also likely over plains of northwest India during the same period.
 - Minimum temperatures are 5-7°C over plains of northwest India, however they are likely to increase by 2-3 °C over the same area from tomorrow onwards during next 2-3 days.
- Outlook for subsequent two days from 1430 hours IST of 11th December, 2007 (Based on numerical weather products):**
- Isolated precipitation activity is likely to continue over Western Himalayan Region.
 - Fall in minimum temperatures over the plains of northwest India.

Source: GOI (IMD)

Weather Map [As on 08.12.07]



Source-IMD
FOREX RATE AS ON 08.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.41
European Union	Euro	57.75
Japan	100 Yen	35.28
United Kingdom	GBP	79.95

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