

## MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments reflected steady to weak tone.

## NEWS ANALYSIS

### Soybean Meal: USDA Weekly Export Sales Highlights

Net sales of 145,200 MT were 9 percent above the previous week, but 17 percent below the prior 4-week average. Increases reported for Guatemala (23,800 MT), Canada (19,200 MT), Saudi Arabia (18,000 MT), the Dominican Republic (17,300 MT), Egypt (16,100 MT, including 8,000 MT switched from unknown destinations), and Turkey (16,000 MT),

were partially offset by decreases for unknown destinations (8,000 MT). Exports of 153,700 MT were 1 percent below the previous week and the prior 4-week average. The primary destinations were the Dominican Republic (43,400 MT), Canada (25,200 MT), Venezuela (23,200 MT), and Mexico (12,300 MT). Source: USDA

Export of Oil meal (Extractions) from April '06 to October '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
<b>2006-2007(F.Y.)</b>	3,661,875	970,725	83,650	252,275	---	202,175	5,170,700
<b>2005-2006(F.Y.)</b>	3,424,600	533,275	137,925	125,325	750	201,150	4,423,025
<b>2004-2005(F.Y.)</b>	1,861,325	588,805	121,475	43,056	4,790	70,750	2,690,201
<b>2003-2004(F.Y.)</b>	2,683,675	447,050	126,750	---	---	65,550	3,323,025

## FUNDAMENTAL ANALYSIS

### INTERNATIONAL MARKETS [01.12.07]

#### CBOT Soy futures settled Mixed on Saturday

Soy futures settled down on CBOT. January soybeans settled down 18 cent at \$396.79 per MT. November soybeans closed 11.25 cents down at \$371.07 per MT. January soybean meal closed \$2.6 down at \$322.97 per MT. January soybean oil ended 0.54 down at \$1016.04 per MT. Amidst weakness in gold and crude oil prices coupled with surging dollar along with lack of fresh demand from China pressured the entire soy complex. Sell-off in wheat market

and higher deliveries further added negative tone. The Deliveries on 1st notice day for Dec. oil came at 7,471 contracts, higher than trade expectation of 2,000-4,000 contracts. Meal deliveries came at 1,383 contracts, higher than expectations of 200-500 contracts. Malaysian palm oil exports were down 2.2% in November Vs October, which also pressurized oil.

#### CBOT Soy Meal Futures as on 01 December 2007.

Month	Open	High	Low	Close	Chg
<b>Dec 07</b>	286.8	292.5	286.5	288.3	<b>-3.8</b>
<b>March 08</b>	295	301.5	295	297.7	<b>-3.8</b>

CBOT Remains Close on Saturday and Sunday

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

## DOMESTIC MARKETS

### Soy meal

Soymeal prices mostly traded steady to firm during the period on subdued trading activity at ports due to congestion, shortage of warehouse space and increasing freight charges at ports (Mumbai & Kandla). Expectation of higher soymeal exports in the oilmeal marketing year 2007-08 is seen limiting the downside. Country's soymeal exports are expected to shoot up to 4 lakh tonnes in ongoing season on the back of continuing good demand from China as well as expectations that demand from other neighboring country to jump by more than three times. The demand from China increased from the last year. India exported 1.32 lakh tonnes

of soymeal to China in 2006-07 season ending September this year lower than exported in 2005-06 of 6.13 lakh tonnes. In the 1st month (October) of this season exports to China stood at 34,381 tonne. Also Indian soymeal is cheaper to the importing countries in southeast Asia due to lesser freight charges of \$40-50/tonne compare to rates quoted by exporters in Brazil and Argentina. China has a freight advantage of \$40/tonne when it imports in bulk and an additional \$15 when the shipments goes through container. So far solvent plants have made 20 lakh tonnes of soymeal export commitments and are made at an average price of

\$330-340/tonne FAS. In Indore, prices for meal quoted in the range of Rs 13,200-13,400/MT against 13,000-13,150/MT last week. Port delivery prices quoted at Rs 13,800-14,600/MT against Rs 13,800-14,000/MT last week.

### Soy Meal Price Drivers-

- Logistics problem at Ports
- Expectation of higher soymeal exports in 2007-08.
- Earlier commitments of higher soymeal exports for Nov-Dec'07 shipments
- Prospects of higher soymeal export on lower crop in US and China
- Attractive parities at current levels
- Freight advantage from other meal exporter like Brazil and Argentina
- Marked lower arrivals of beans

### Outlook-

#### Short term (one week)

- ✍ Prices of meal are likely to trade steady to slightly weak in near term.

### DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		01.12.07	24.11.07
1.	Indore (MP)	13200	13,200
2.	Kota	12950	13,000-13,100
3.	Nanded/Latur	13500 / 13700	13,600 / 13,800-13,900
4.	Dhulia/Jalna	13900	14,200-14,300

### Rape/ Mustard meal

Prices of mustard oil cake at Jaipur stood steady at Thursday's level on expectation of higher meal export this season coupled with expectation of lower production this year. Weakness in mustard seed and oil prices on Friday is seen limiting the upside. At Jaipur, prices stood steady at Thursday's price level of Rs 841-842/MT. Meanwhile, 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 meal

Spot prices of groundnut complex witnessed steady to weak sentiment on Friday amidst mild demand-against normal supply. Weakness in other seed and

5.	Nagpur (41/45)	12500-12800	12,800-13,000
6.	Sangli	14200	14,200

### Soy Meal Vessel Report (01.12.07)

#### 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 **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.

edible oil further added negative tone on Friday. 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 higher domestic prices. Around 15,000-20,000 tonne 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 reported at Rs 512-513 against Rs 515-517 on Thursday in different markets of Gujarat. In Rajkot market

groundnut oil reported at Rs 670-671/10 Kg against Rs 676-678/10 Kg on Thursday. 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.

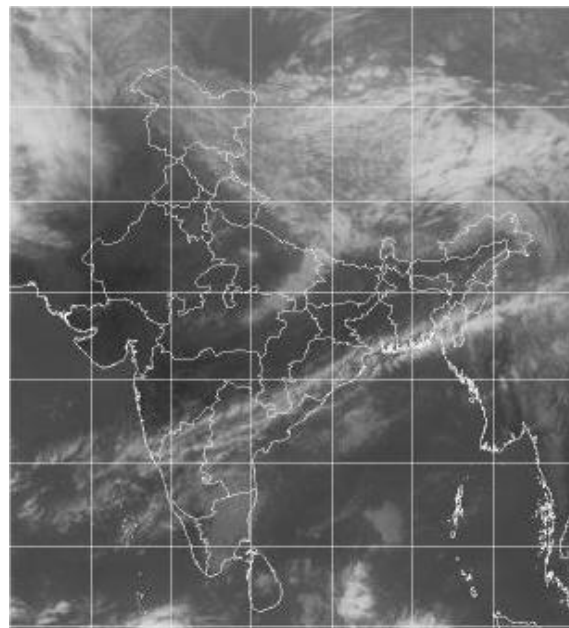
### Monsoon Outlook and salient features observed during the week.

- Weak easterly waves sometimes embedded with cyclonic circulations at lower tropospheric levels passed through Andaman & Nicobar Islands, Southwest Bay of Bengal, extreme south peninsula and southeast Arabian Sea during the week.
- Last week's upper air cyclonic circulation over southwest Bay of Bengal and adjoining Commorin area and neighbourhood persisted on 22nd November in the lower tropospheric levels and moved away westwards thereafter.
- An upper air trough extended from Nagaland & Manipur to Sub-Himalayan West Bengal & Sikkim between 0.9 and 1.5 Km above mean sea level during 25th to 28th .

### Outlook for week ending 5<sup>th</sup> December 2007.

- Under the influence of western disturbance, isolated to scattered precipitation is likely over western Himalayan Region and adjoining northern plains during the first half of the week.
- Increase in rainfall activity over extreme south peninsula.
- Fog condition is likely over plains of northwest India during second half of the week.

### Weather Map [ As on 01.12.07]



Source: - IMD

### Forex: -

#### Forex rate as on 01.12.07 and 24.11.07

Country/ Continent	Currency	Value in Rupees [01.12.07]	Value in Rupees [24.11.07]
USA	Dollar	39.67	39.57
European Union	Euro	58.46	59.04
Japan	100 Yen	35.94	36.74
United Kingdom	GBP	81.78	81.95

### 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.