

## OILMEAL

27<sup>th</sup> December 2007

### MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed steady sentiments

### DOMESTIC MARKET

#### Soy meal

Soymeal spot prices remained steady at major markets on Wednesday though the DOC port prices were slightly low compared to previous trading day. However, the soy meal sentiment remained firm amid continued overseas demand. At Indian ports the FAS meal price is fetching \$404-406. At CBOT weakness in Crude oil and rains over Argentina helped to pressure the market. However, January soybean, meal and oil witnessed new contract high at CBOT as holiday-shortened trading session. Continued domestic demand of meal in US from livestock feeders has further supported the meal price. The recent USDA Cattle on Feed report states that the feedlots in US jumped 12% in November. China has extended the soybean import duty at 1% (from 3%) through the end of March to check inflation, which is likely to open the export prospects for US.

#### Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	26.12.07	24.12.07	Parity To
Indore (MP)	15000	15000	Gujarat, MP
Kota	14600	14600	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	15200/15400	15200/15400	Andhra, AP, Kar, TN
Dhulia/Jalna	15500	15500	Mumbai Maharashtra
Nagpur (41/45)	14300-14600	14400-14700	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	15700	15600	Local and South
Dharwar	-	-	Karnataka, Tamil Nadu

#### DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	26.12.07	24.12.07
Kandla	15650-15700	15900-16000
Mumbai	15850D/15900J	16100D/16300J

#### 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 Wednesday. At Jaipur, mustard meal traded between the price range of Rs.1912-1913/MT on Wednesday. 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 DOC: -

Spot groundnut complex witnessed firm trade on Wednesday, 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 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 Wednesday at price level of Rs. 521-522 per 20 compared to the price levels of Rs.520-521 per 20 kg on Monday in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at the price level of Rs.671-672 on Wednesday compared to the price of level of Rs. 670-671 per 10 kg on Monday. 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 24, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Jan 08	328.3	330.4	327.3	329.2	+1.00
March 08	334.0	337.8	334.0	336.5	+1.6

#CBOT remain closed on Saturday & CBOT remained closed on 25<sup>th</sup> December 2007

#### Monsoon Outlook (26.12.07)

##### Chief Features:

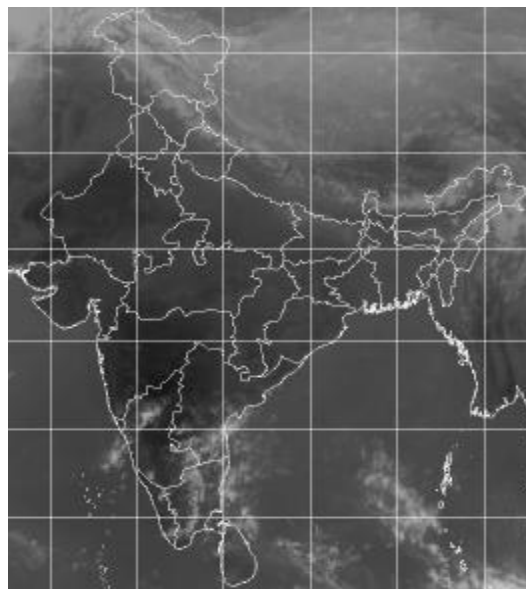
- Mainly dry weather conditions are likely to prevail over most parts of the country during next 3-4 days.
- The current meteorological analysis suggest that night temperature are likely to further fall by 2-3 °C over Rajasthan and northwest India during next 48 hrs. Shallow fog conditions are also likely to prevail over Rajasthan and Indo-Gangetic plains.
- Numerical Weather Prediction models suggest that a feeble western disturbance as an upper air system is likely to affect Western Himalayan region from 29<sup>th</sup>.

#### Outlook for subsequent two days from 1430 hours IST of 29<sup>h</sup> December, 2007 (Based on numerical weather products):

- Isolated rain/snow is likely over Western Himalayan Region.

Source: GOI (IMD)

#### Weather Map [As on 26.12.07]



Source-IMD

#### FOREX RATE AS ON 26.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.39
European Union	Euro	56.77
Japan	100 Yen	34.50
United Kingdom	GBP	78.02

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