

OILMEAL

03-08 Dec ember 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soymeal sentiments reflected steady.

NEWS ANALYSIS

Soybean Meal: USDA Weekly Export Sales Highlights

Soybean Cake and Meal: Net sales of 163,400 MT were 13 percent above the previous week and 2 percent over the prior 4-week average. Increases were reported for Cuba (32,000 MT), the Dominican Republic (27,100 MT), Canada (15,700 MT), Mexico (14,700 MT), and the Philippines (13,000 MT). Exports of 194,500 MT--a marketing-year

high--were 27 percent above the previous week and 17 percent over the prior 4-week average. The primary destinations were the Philippines (42,900 MT), Canada (35,300 MT), Mexico (31,500 MT), the Dominican Republic (17,000 MT), Colombia (13,900 MT), and Cuba (11,000 MT). Source: USDA

Export of Oil meal (Extractions) from April '06 to November '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
November 2007	480,025	79,250	----	5,525	----	26,025	590,825
	457,450	68,250	3,200	21,900	----	32,450	583,250
2006-2007(F.Y.)	3,661,875	970,725	83,650	252,275	---	202,175	5,170,700
2005-2006(F.Y.)	3,424,600	533,275	137,925	125,325	750	201,150	4,423,025
2004-2005(F.Y.)	1,861,325	588,805	121,475	43,056	4,790	70,750	2,690,201
2003-2004(F.Y.)	2,683,675	447,050	126,750	---	---	65,550	3,323,025

FUNDAMENTAL ANALYSIS

INTERNATIONAL MARKETS [08.12.07]

CBOT Soy futures witnessed Firm on Saturday

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 meagre drop from the October estimate of 8.864 million tons, but it points to tighter world vegetable oil stocks in 2008. In general, there was an almost complete lack of bearish news today. Deliveries against the December contracts today were: meal 307 contracts and oil 1,293 contracts.

CBOT Soy Meal Futures as on 08 December 2007.

Month	Open	High	Low	Close	Chg
Dec07	302.3	310.5	301	310.5	+10.9
March 08	311	318.5	309.7	318.2	+10.7

CBOT Remains Close on Saturday and Sunday

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

DOMESTIC MARKETS

Soy meal

After initially trading weak on overall weak global advices coupled with subdued trading activity at ports due to congestion, shortage of warehouse space and lack of timely availability of ships, prices traded mostly firm thereafter on expectation of higher soymeal export this season coupled with higher soymeal export in Nov'07. India's Soymeal export during Nov'07 was 531268 MT against 360971 MT in corresponding period last year, up 47.18% over the last year. Though total exports of Soymeal for 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. In Indore, prices for meal quoted in the range of Rs 13,100-13,300/MT against Rs 13,200-13,400/MT last week. Port delivery prices quoted at Rs 13,800-14,400/MT against Rs 13,800-14,600/MT last week.

Soy Meal Price Drivers-

- Logistics problem at Ports
- Expectation of higher soymeal exports in 2007-08.
- Higher soymeal exports in Nov
- 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 firm in near term.

DOC Rates at Different Centres

S.No	Places	Ex-factory rates (Rs/ton)	
		08.12.07	01.12.07
1.	Indore (MP)	13600	13200

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 have increased to 79,250 tonnes during April-November period this year from 68,250 tonnes in corresponding period last year.

Groundnut meal

Spot prices of groundnut complex witnessed weak sentiment on Saturday amidst weak physical

2.	Kota	13300	12950
3.	Nanded/Latur	13600/13800	13500 / 13700
4.	Dhulia/Jalna	14400	13900
5.	Nagpur (41/45)	13000	12500-12800
6.	Sangli	14200	14200

Soy Meal Vessel Report (08.12.07)

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 **M.V. GULF PRIDE** was expected to arrive on 14.12.07. It would load 8,400 MT of RSM. Seacrest agent is handling the vessel.

Vessel **M.V. FUSHIMI** has berthed on 08.12.07. It would load 14,500 MT of SBM/RSM. Taurus agent is handling the vessel.

Mumbai:-

Vessel **Badulu valley - VI** has arrived on 07.12.07. It would load 3400 MT of SBM. Sai Freight P.Ltd. is handling the vessel.

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 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. 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 November 2007.

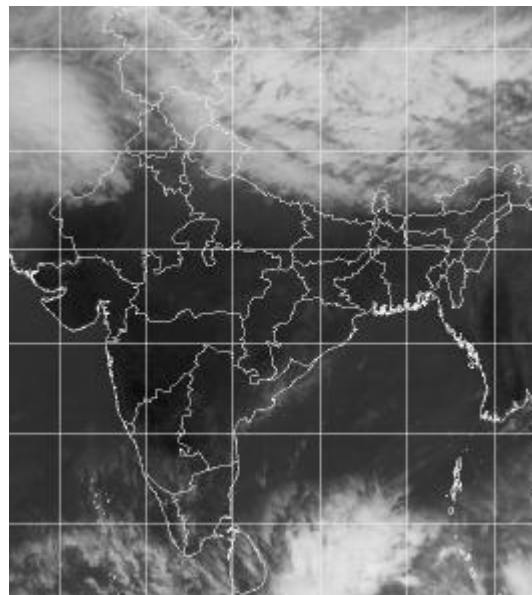
Monsoon Outlook and salient features observed during the week.

- Last week's upper air trough extending from Nagaland & Manipur to Sub-Himalayan West Bengal & Sikkim in the lower tropospheric levels persisted on 29th November and became less marked on 30th.
- Weak easterly waves sometimes with embedded cyclonic circulations at lower tropospheric levels passed through Andaman & Nicobar Islands, South Bay of Bengal, extreme south peninsula and southeast Arabian Sea during the week.
- A western disturbance as an upper air system lay over north Pakistan & neighbourhood on 29th, over Jammu & Kashmir & neighbourhood during 30th November to 2nd December and moved away eastward thereafter.
- An upper air cyclonic circulations in lower tropospheric levels lay over north Pakistan & neighbourhood on 4th and over Jammu & Kashmir and neighbourhood on 5th December.
- An upper air cyclonic circulations in lower tropospheric levels lay over Assam & neighbourhood during 30th November to 3rd December and moved away eastwards on 4th.

Outlook for week ending 12th December 2007.

- Isolated to scattered rain/thundershowers are likely over extreme south peninsula.
- Under the influence two western disturbances, isolated to scattered precipitation is likely over western Himalayan Region and adjoining northern plains during the week.
- No significant change in night temperatures during first half of the week and rise in night temperatures by 2-3°C during second half of the week is likely over plains of northwest & adjoining central India.

Weather Map [As on 08.12.07]



Source: - IMD

Forex: -

Forex rate as on 08.12.07 and 01.12.07

Country/ Continent	Currency	Value in Rupees [08.12.07]	Value in Rupees [01.12.07]
USA	Dollar	39.41	39.67
European Union	Euro	57.75	58.46
Japan	100 Yen	35.28	35.94
United Kingdom	GBP	79.95	81.78

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