

## OILMEAL

06 December, 2007

### MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects steady to firm sentiments

### DOMESTIC MARKET

#### Soy meal

Soymeal prices are firm on Wednesday across the major trading centers due to firm soymeal sentiments at ports on stead to firm soymeal CBOT coupled with firmness in soybean. Expectations of higher soymeal export this year following lower crop in US and China further supported the sentiment. However, logistic problem at ports is seen restricting the upside. At CBOT, Soy complex settled up amidst firmness in wheat and corn prices coupled with expectations that import demand from China will revive in near term. However, lower Brazilian soybean exports in November compared to total exports in October, may limit the upside in near term. Meanwhile, deliveries against the December contracts are 1,664 for soybean oil and 561 for soybean meal. The relatively heavy deliveries for oil may be a secondary result. Further, Brazil's soy planting is likely to increase only by 1% this year due to dry weather and some logistical problem at planting time. According to Abiove Brazil produced 23.4 million tonnes of soymeal in 2006-07 and is likely to produce 24 million tonnes this 2007-08 season.

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

Places	Ex-factory rates (Rs/ton)		
	05.12.07	04.12.07	Parity To
Indore (MP)	13200	13200	Gujarat, MP
Kota	13000	12900	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13400/13600	13200/13500	Andhra, AP, Kar, TN
Dhulia/Jalna	14000	13900	Mumbai Maharashtra
Nagpur (41/45)	12600-900	12500-800	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14100	14000	Local and South
Dharwar	14400	14300	Karnataka, Tamil Nadu

#### DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	05.12.07	04.12.07
Kandla	13900-14100	13900-14100
Mumbai	14200-300	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 weak at Tuesday's level on weakness in local/regional exchanges. At Jaipur, prices weakened from Tuesday's price level of Rs.847-848/MT to Rs.838-839/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, reports of rainfall over Rajasthan 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 Tuesday 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 Tuesday's level of Rs 511-512 /20Kg to Rs.504-505/20 Kg on Wednesday in different markets of Gujarat. In Rajkot market groundnut oil was weak from the Tuesday's level of Rs.664-665/10 Kg to Rs.656.65/10 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 5<sup>th</sup> [Open Auction]

Month	Open	High	Low	Close	Chg
Dec07	292	295.5	292	290.1	+5.4
March 08	300	303	299.5	297.7	+5.1

### Monsoon Outlook (05.12.07)

#### Chief Features:

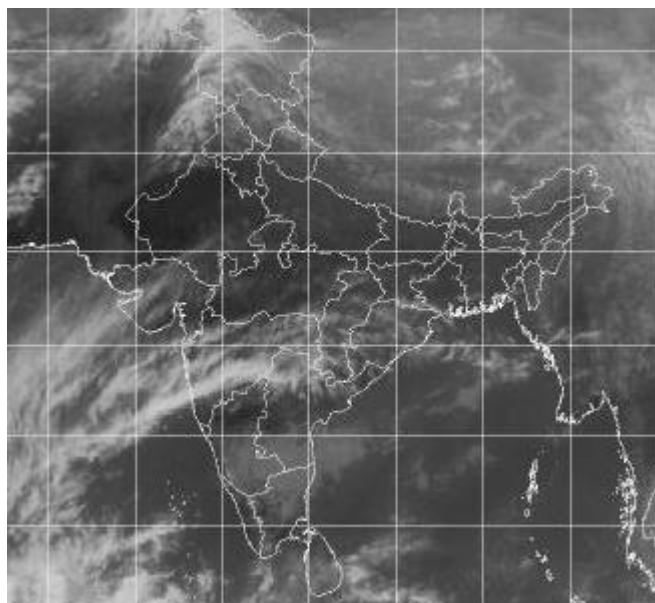
- Minimum temperatures have fallen by 2-3°C over plains of northwest and adjoining central India during past 24 hours. No significant change is likely to occur in minimum temperature during next 2-3 days.
- Under the influence of an approaching feeble western disturbance, isolated rain/snow is likely from tomorrow onwards for the next 2-3 days over Western Himalayan Region.

#### Outlook for subsequent two days from 1430 hours IST of 8<sup>th</sup> December, 2007 (Based on numerical weather products):

- Isolated to scattered rain/thundershowers are likely over extreme south peninsula.

Source: GOI (IMD)

### Weather Map [As on 05.12.07]



Source-IMD

### FOREX RATE AS ON 05.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.45
European Union	Euro	58.20
Japan	100 Yen	35.75
United Kingdom	GBP	81.12

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