

OILMEAL

01st January 2008

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed weak sentiment

DOMESTIC MARKET

Soy meal

Soymeal spot prices were weak at major markets on Monday following weakness at soy complex at international market, CBOT. However, there is a continued overseas demand of soy meal and the solvent extracting units are keen in crushing the bean at higher level on expectation of good export. At spot market the soybean prices went up to Rs.2000/qrtl on Monday. However, At CBOT soybean futures finished lower on previous trading day as the market is keen towards index funds to sell shortly after the New Year. Traders expect the funds to rebalance their positions by selling thousands of soybean and wheat contracts and by buying corn. According to AgResource Company funds will have to sell 32,000-36,000 contracts of wheat and soybeans and secure 19,000-21,000 contracts of corn. The late pullback in soybean and meal came after the market rose in early trading. Soybean oil finished higher in all the future contracts despite the sharp drops in soybeans and meal. Prices remained in positive territory for most of the day session as spillover support from outside markets. Soybeans are still technically strong after hitting 34-year highs.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	31.12.07	29.12.07	Parity To
Indore (MP)	14900	15000-200	Gujarat, MP
Kota	14850	14900-15000	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	15000/15700	15500-700/15800-16000	Andhra, AP, Kar, TN
Dhulia	16000	16100	Mumbai Maharashtra
Nagpur (41/45)	14900-15000	14800-15200	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	15700	15800-16000	Local and South
Dharwar	-	-	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	31.12.07	29.12.07
Kandla	15800	15800-16100
Mumbai	15900	15900-16100

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 markets were steady on Monday. At Jaipur, mustard meal traded between the price range of Rs.912-913/MT. According to the latest information from Press Information Bureau, mustard/rapeseed sowing has reached 59.55. lakh ha while the sowing figure from last rabi to this time stands at 65.36 lakh ha. The oilseed sowing is expected to finish next month and the edible oil industry fears that the acreage under mustard seed in 2007-08 rabi season may be lower than the previous season when a total of 72 lakh hectares were brought under oilseed cultivation. The oilseed output this rabi season is expected to fall by about 1 million ton (mt) to 6 mt compared to last year's level of 7.1 mt, according to the estimates of Solvent Extractors' Association of India. According to the industry sources the National Agricultural Cooperative Marketing Federation of India (Nafed) has a stock of 3.5 lakh tonnes. The average daily arrival of mustard seed is about 13-14 tonnes at major mandis, Sirsa, Hapur and Delhi. Recent showers over mustard growing raised some hope of more coverage of the oilseed and prompted traders to take a bearish view. 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 is witnessed firm trade on Monday, 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 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. 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 Monday at price level of Rs.533-534 per 20 kg compared to the previous price level of Rs. 526-

527 per 20 kg on Saturday in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at the price level of Rs.684-685 per 10 kg on Monday compared to the previous price level of Rs. 675-676 per 10 kg on Saturday. 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 29, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Jan 08	339.8	340.2	325.0	326.0	-9.9
March 08	346.5	347.6	332.0	333.5	-10.4

#CBOT remain closed on Saturday

Monsoon Outlook (31.12.07)

Chief Features:

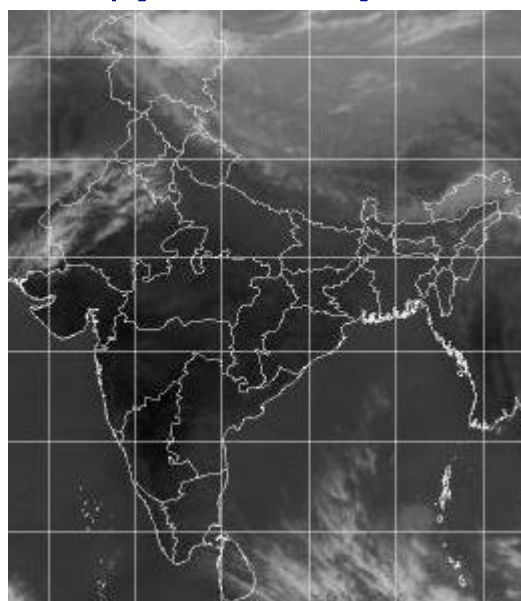
- Cold to severe cold wave conditions prevailed over Jammu, Punjab, Haryana and isolated pockets of East Uttar Pradesh.
- The night temperature are below normal by 2-3 °C over the remaining parts of Indo-Gangetic plains. The current meteorological analysis suggests that the above temperature scenario including the cold wave conditions are likely to continue and extend into some more parts of the region during next 2 days.
- The lowest minimum temperature of -03°C in the plains of the country was recorded at Adampur (Punjab).

Outlook for subsequent two days from 1430 hours IST of 3rd Jan, 2008 (Based on numerical weather products):

- Under the influence of an easterly wave scattered rain/thundershowers are likely over Andaman & Nicobar Islands and isolated rain/thundershowers over coastal Tamil Nadu.
- Rise in minimum temperature likely over northwest India.

Source: GOI (IMD)

Weather Map [As on 31.12.07]



Source-IMD

FOREX RATE AS ON 31.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.41
European Union	Euro	58.12
Japan	100 Yen	35.21
United Kingdom	GBP	78.74

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