

OILMEAL

12 December 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects firm sentiments

DOMESTIC MARKET

Soy meal

Soymeal prices remained firm on Tuesday following firm soy oil prices and firm soymeal sentiment at ports. Prices at major markets went up compared to Monday's prices.

Expectation of bullish monthly report and dry weather in Argentina after light showers in past and slower plantation in Brazil on wet field cast firmness for soy complex futures on CBOT. Fresh Chinese buying of 221,000 tonnes of soybean of US origin supported the sentiments. Last week Chinese purchased 500,000 tonnes. Brazilian 2007/08 soybean crop is forecast near 59.35 mmt from earlier estimation of 59.32 mmt by government agency, IBGE. This restricted the gains to certain extent. Traders are expecting the soybean ending stocks near 197 million bushels from 210 million bushels last month. December meals and oil deliveries totaled at 307 and 1,024 contracts, respectively. According to the Solvent Extractors' Association of India, India's oilmeal exports in Nov rose 1.3% to 590,825 metric tons from 583,250 tons last year. But during Apr-Nov the total export fell 10% compared to last year's 2.29 million tons. Soymeal exports in Apr-Nov fell to 1.42 MT from 1.65 MT. At ports soymeal is fetching at US \$385-88 FAS.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	11.12.07	10.12.07	Parity To
Indore (MP)	14000-100	13600	Gujarat, MP
Kota	13400	13300	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13800/14000	13600/13800	Andhra, AP, Kar, TN
Dhulia/Jalna	14400	14400	Mumbai Maharashtra
Nagpur (41/45)	13400-700	13000	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14200	14200	Local and South
Dharwar	14500	14500	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	11.12.07	10.12.07
Kandla	14900-15100	14850-15000
Mumbai	15000-100	15000-100

Current vessel positions in different ports: -

Kandla: -

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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.

Rape/ Mustard Meal: -

Prices of mustard oil cake at Jaipur are weak on Monday amidst weakness in mustard seed in regional exchanges and local markets. At Jaipur, mustard meal traded at Rs.837.50/MT on Tuesday which is down compared to Monday's level of Rs.847.50/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 DOC: -

Spot prices of groundnut complex witnessed firm sentiment on Monday amidst firm physical demands, considering the lower Rabi acreage of 2.41ha 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 firm on Tuesday and traded between the price range of Rs.507-508 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm from the Monday's level of Rs.651.40 per 10 kg to Rs.662.25 per 10 kg on Tuesday. 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.

CBOT Soy Meal Futures as on December 11, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Dec07	310	311.5	307.2	311.5	+1
March 08	318.5	319.8	315.2	319.6	+1.4

Monsoon Outlook (11.12.07)

Chief Features:

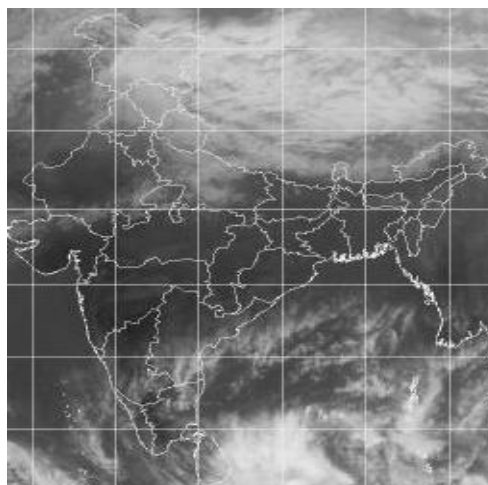
- A low pressure area has formed over southwest Bay of Bengal off southeast coast of Sri Lanka and is likely to become more marked. Under its influence, scattered to fairly widespread rainfall activity is likely over coastal and adjoining interior Tamil Nadu from tomorrow onwards for next 2-3 days.
- The current meteorological analysis and numerical weather prediction models suggest isolated to scattered rain/snow is likely over Western Himalayan Region during next 2-3 days. Isolated rain/thundershowers are also likely over adjoining plains of northwest India during next 48 hours.
- The current scenario suggest no significant change in minimum temperatures over plains of northwest India during next 48 hours and fall thereafter. Fog condition is also likely over some parts of plains of northwest India after 48 hours.

Outlook for subsequent two days from 1430 hours IST of 14th December, 2007 (Based on numerical weather products):

- Isolated to scattered rainfall activity is likely over extreme south peninsula.
- Fall in minimum temperatures and fog condition is likely to continue over the plains of northwest India.

Source: GOI (IMD)

Weather Map [As on 11.12.07]



Source-IMD
FOREX RATE AS ON 11.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.36
European Union	Euro	57.96
Japan	100 Yen	35.20
United Kingdom	GBP	80.58

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