

## OILMEAL

05 December, 2007

### MAJOR ACTIVITY HIGHLIGHTS

- Soy meal reflects steady to weak sentiments

### DOMESTIC MARKET

#### Soy meal

Soymeal prices are firm on Tuesday across the major trading centers due to firm soymeal sentiments at ports on stead to firm soymeal CBOT coupled with firmness in soybean and oil. 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, weakness in crude oil and palm oil raised follow-through selling. But market got some strength from readjustment of spread of meal/oil. Lack of fresh buying by China also weighs in the market. Deliveries for December oil came down to 2,030 contracts compared to 7,471 contracts on First Notice Day last Friday while meal deliveries came in at 22.594 million bushels, which is below expected 25-30 million. The weekly exports sales of soybean totaled at 22.594 million bushels that was below trade expectation between 25-30 million bushels.

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

Places	Ex-factory rates (Rs/ton)		
	04.12.07	03.12.07	Parity To
Indore (MP)	13200	13000-100	Gujarat, MP
Kota	12900	12900	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13200/13500	13300-500	Andhra, AP, Kar, TN
Dhulia/Jalna	13900	13800	Mumbai Maharashtra
Nagpur (41/45)	12500-800	12400-700	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14000	14100	Local and South
Dharwar	14300	14300	Karnataka, Tamil Nadu

#### DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	04.12.07	03.12.07
Kandla	13900-14100	13800-900
Mumbai	14200-300	14000-100

#### 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 firm at Monday's level on weakness in local/regional exchanges following tracking steady to firm in soybean and oil coupled with expectation of higher meal export this season and lower production this Rabi season. At Jaipur, prices improved from Monday's price level of Rs.841-842/MT to Rs.847-848/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 Monday's level of Rs 511-512 on Tuesday in different markets of Gujarat. In Rajkot market groundnut oil eased from the Monday's level of Rs 666-667/10 Kg to Rs.664-665/10 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 4<sup>th</sup> [Open Auction]

Month	Open	High	Low	Close	Chg
Dec07	287.5	290.4	285.8	290.1	+1.8
March 08	295.5	298.5	294.3	297.7	0

### Monsoon Outlook (04.12.07)

#### Chief Features:

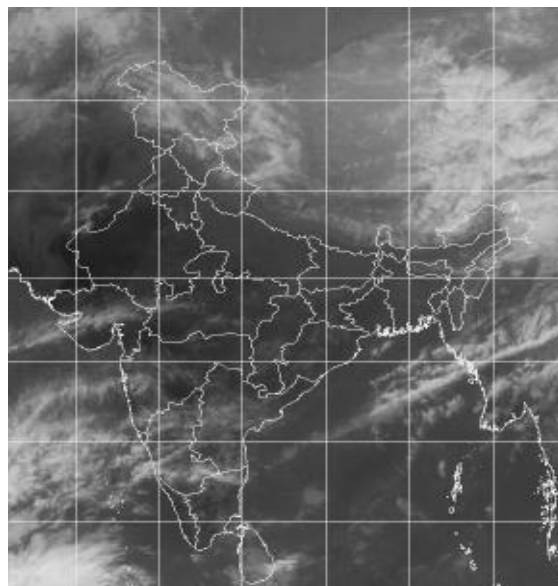
- Minimum temperatures have fallen by 3-4°C over northwest and adjoining central India during past 24 hours. They are likely to fall by 2-3°C over north and adjoining central India during next 1-2 days.
- Fog conditions are also likely to prevail over parts of north India during next 1-2 days.

#### Outlook for subsequent two days from 1430 hours IST of 7<sup>th</sup> December, 2007 (Based on numerical weather products):

- Light Isolated rain/snow over Western Himalayan region.
- Isolated rain/thundershowers are likely over extreme south peninsula.

Source: GOI (IMD)

### Weather Map [As on 04.12.07]



Source-IMD

### FOREX RATE AS ON 04.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.43
European Union	Euro	57.83
Japan	100 Yen	35.78
United Kingdom	GBP	81.35

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