

## OILMEAL

20 December 2007

### MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed weak sentiments

### DOMESTIC MARKET

#### Soy meal

Soymeal is traded weak in major spot markets following weak sentiment at CBOT coupled with bearish domestic futures market. The Mumbai and Vizag ports are congested while Kandla port is better. At Indian ports the FAS meal price is fetching \$397-400. CBOT had traded without bullish spark and soybean futures ended lower, due to the absence of fresh supportive news. Meal lost support despite oil closed higher at CBOT. The appreciation of dollar, which stood two-month high, has encouraged participants to book profits in the last full trading week. Whereas improved moisture conditions and rainfall in Argentina seems defensive feature in firmness of the market where dry weather had supported the prices. Theme of the market was profit taking setback due to the selloff on Tuesday's new 34-year highs at CBOT.

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

Places	Ex-factory rates (Rs/ton)		
	19.12.07	18.12.07	Parity To
Indore (MP)	14500-600	14700	Gujarat, MP
Kota	14000	14100	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	14700/15100	14800/15000	Andhra, AP, Kar, TN
Dhulia/Jalna	15000-100	15100	Mumbai Maharashtra
Nagpur (41/45)	13900-14200	13800-14100	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	15000-100	15000	Local and South
Dharwar	-	-	Karnataka, Tamil Nadu

#### DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	19.12.07	18.12.07
Kandla	15550-15600	15600-15700
Mumbai	15500D/15700J	15500D/15700J

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.

#### Rape/ Mustard Meal: -

Prices of mustard oil cake at Jaipur and other regional/local markets were firm on Wednesday. At Jaipur, mustard meal traded at Rs.877.50/MT on Wednesday compared to the previous level of Rs.875.00/MT on Tuesday. However, India's rapeseed crop is showing minor signs of recovery after receiving rains in the major growing areas of Rajasthan and Madhya Pradesh. According to the head of the country's largest rapeseed oil extraction company the overall production is expected to be lower this year due to a sharp fall in acreage. Crop prospects is expected to marginally improved due to the late showers in Rajasthan and Madhya Pradesh and the production is estimated at around 5.2 million to 5.3 million metric tons against the previous estimates of less than 5.0 million tons. India's rapeseed production this year is around 5.8 million tons compared to 6.8 million tons the previous year. India's rapeseed production is crucial for determining the country's overall edible oil imports as the oilseed has higher oil content. According to the latest government data, India's rapeseed acreage is down around 12% as of first week of December at 5.59 million hectares. The higher MSP of other commodities like wheat and pulses in comparison to mustard, by the government, this year has diverted the farmers of rapeseed growing area towards wheat at the same time unusually warm weather at the showing time kept farmers away from the oilseed. 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 witnessed firm trading on Wednesday amidst due to 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 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. 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 Wednesday and traded between the price range of Rs.521–522 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.672--673 per 10 kg on Wednesday. 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 19, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Jan 08	324.5	324.5	320.8	322.5	-2.2
March 08	331.5	331.9	327.5	328.5	-3.0

#CBOT remain closed on Saturday

### Monsoon Outlook (19.12.07)

#### Chief Features:

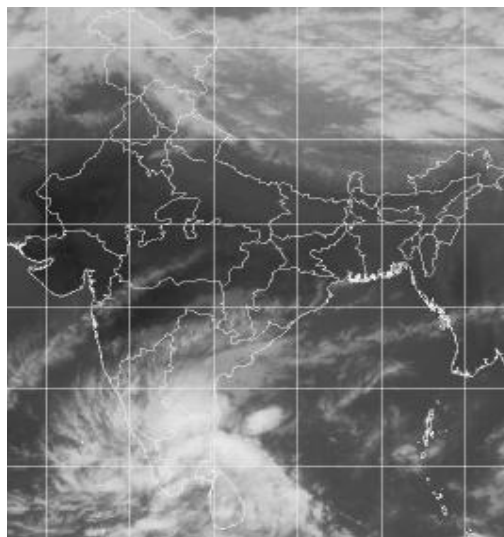
- Cold wave conditions prevailed over some parts of Punjab & Haryana during past 24 hrs.
- Under the influence of a feeble western disturbance, rise in minimum temperatures are likely over plains of northwest India leading to abatement of cold wave conditions over Punjab & Haryana during next 1-2 days.
- Cold wave conditions also prevailed over some parts of East Uttar Pradesh, Bihar and Jharkhand during past 24 hrs. and likely to extend into the remaining parts of east India during next 1-2 days.
- Under the influence of a trough in easterlies, widespread rainfall with scattered heavy to very heavy falls is likely over extreme south peninsula during next 24 hrs. and decrease thereafter.

### Outlook for subsequent two days from 1430 hours IST of 22<sup>h</sup> December, 2007 (Based on numerical weather products):

- Isolated to scattered in rainfall activity is likely over extreme south peninsula.
- Fall in minimum temperatures are likely over plains of northwest India.

Source: GOI (IMD)

### Weather Map [As on 19.12.07]



Source-IMD

### FOREX RATE AS ON 19.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.55
European Union	Euro	57.02
Japan	100 Yen	34.92
United Kingdom	GBP	79.62

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