

OILMEAL

14 December 2007

MAJOR ACTIVITY HIGHLIGHTS

- Soy meal witnessed firm sentiments

DOMESTIC MARKET

Soy meal

Soymeal spot prices witnessed firm on Thursday, following firm sentiment at CBOT in soya complex. At ports soy meal is fetching at US \$390-92 FAS. The market found support from bullish news of USDA along with the report from the Goldman Sachs who is anticipating 2008 soybean price near \$14.50 per bushel. Both soybean and meal gained and soybean stood at new 34 year high for nearby futures. Meal deliveries were a bit higher than expected that capped the gains to certain extent. Favourable weather conditions for soybean production over Argentina have failed to slow the buying on expectation of drier weather ahead. China's is expected to import of 34 million tonnes this season, which is equivalent to 48% of 2007 US production. Traders are expecting USDA weekly export sales report of soybean sales near 600,000-700,000 tonnes, meal around 75,000 to 125,000 tonnes and oil sales near 10,000-20,000 tonnes.

Soybean DOC: - rates at different centers

Places	Ex-factory rates (Rs/ton)		
	13.12.07	12.12.07	Parity To
Indore (MP)	14200	14100	Gujarat, MP
Kota	13700	13500	Rajasthan, Del, Punjab, Haryana
Nanded/Latur	13800/14000	13600/13800	Andhra, AP, Kar, TN
Dhulia/Jalna	14500	14400	Mumbai Maharashtra
Nagpur (41/45)	13600-13900	13400-13700	CG, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	14500	14400	Local and South
Dharwar	14700	14600	Karnataka, Tamil Nadu

DOC Port rate at different centers

Centers	FOR Price (Buy price)	
	13.12.07	12.12.07
Kandla	15100-15200	15000-15100
Mumbai	15100D/15300J	14900-15100

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 Thursday in regional exchanges and local markets. At Jaipur, mustard meal traded up at Rs.842.50/MT on Thursday compared to Wednesday'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 Thursday amidst firm physical demands, 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 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 Wednesday and traded between the price range of Rs.514-515 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded weak at Rs.663-664 per 10 kg on Thursday. 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 13, 2007 [Open Auction]

Month	Open	High	Low	Close	Chg
Dec07	315.3	319.5	315.3	319.5	+4.5
March 08	324.5	328.8	324	328.2	+3.8

Monsoon Outlook (13.12.07)

Chief Features:

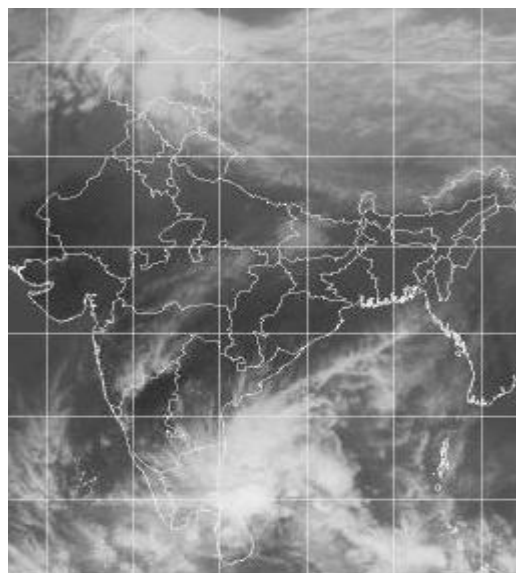
- The low pressure area over southwest Bay of Bengal off southeast coast of Sri Lanka has become well marked over the same area. It is likely to concentrate into a depression. This system likely to cause, fairly widespread rainfall with isolated heavy to very heavy fall over coastal Tamil Nadu and scattered rainfall activity over interior Tamil Nadu during next 2-3 days.
- The current meteorological analysis and numerical weather prediction models suggest fall in minimum temperatures by 2-3 °C over plains of northwest India and Rajasthan during next 2-3 days. Fog condition is also likely over some parts of this region during the same period.

Outlook for subsequent two days from 1430 hours IST of 16th December, 2007 (Based on numerical weather products):

- Isolated to scattered rainfall activity is likely over extreme south peninsula.
- Cold wave condition is likely over Rajasthan.

Source: GOI (IMD)

Weather Map [As on 13.12.07]



Source-IMD

FOREX RATE AS ON 13.12.07

Country/ Continent	Currency	Value in Rupees
USA	Dollar	39.37
European Union	Euro	57.92
Japan	100 Yen	35.22
United Kingdom	GBP	80.49

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