

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 1,086,100 MT were 9 percent below the previous week, but 22 percent above the prior 4-week average. Major increases for China (500,800 MT), the Netherlands (198,400 MT, including 180,000 MT switched from unknown destinations), South Korea (120,000 MT), Mexico (93,900 MT), Japan (85,700 MT), Indonesia (67,200 MT, including 60,000 MT switched from unknown destinations), and Belgium (60,000 MT) were partially offset

by decreases for unknown destinations (196,200 MT) and Egypt (45,000 MT). Exports of 724,100 MT were 26 percent above the previous week and double the prior 4-week average. The primary destinations were the Netherlands (198,400 MT), China (114,300 MT), Taiwan (84,400 MT), Mexico (81,100 MT), and Indonesia (67,400 MT).

USDA Weekly Export Sales Highlights for Soy meal

Net sales for the 2006/07 marketing year (which began Oct. 1) were 101,400 MT. Major increases were reported for France (30,000 MT), unknown destinations (24,000 MT), Canada (18,100 MT), and Guatemala (12,400 MT). A total of 509,800 MT were outstanding on September 30 (the end of the 2005/06 marketing year) and were carried over to the 2006/07 marketing year. Exports of 26,000 MT for Sept.

29-30 were mainly for Mexico (14,700 MT). Accumulated exports for the year totaled 6,375,900 MT, up 6 percent from the 6,020,600 MT exported during the previous year. Exports of 61,800 MT for Oct. 1-5 were mainly for Canada (24,100 MT), Guatemala (16,500 MT), and Mexico (10,800 MT).

USDA Weekly Export Sales Highlights for Soy Oil:

Net sales of 2,400 MT for the 2006/07 marketing year (which began Oct. 1) resulted as major increases for El Salvador (2,200 MT), Nicaragua (1,000 MT), and Canada (900 MT) were partially offset by decreases for China (2,000 MT). A total of 31,000 MT were outstanding on Sept. 30 (the end of the 2005/06 marketing year) and were carried over to the 2006/07 marketing year. Exports of 400

MT for Sept. 29-30 were mainly for Mexico (200 MT) and Trinidad (100 MT). Accumulated exports of 349,300 MT were down 19 percent from the 429,300 MT exported during the prior year. Exports of 6,000 MT for October 1-5 were primarily to Nicaragua (2,400 MT) and El Salvador (2,000 MT).

No Change in MSP of Mustard in Rajasthan

Rajasthan leads in Mustard Production to rest of country. Recently proposal to lower the MSP of Mustard by Agriculture Price Commission had upset the mustard growers. But, the Union Agriculture Minister had declined to accept the recommendation of Agriculture Price

Commission for reduction in MSP of Mustard. Ministry's decision has helped cheering Mustard growers. Ministry has also informally conveyed to the State Government about not accepting the proposal by Agriculture Price Commission.

Brazil Likely to Utilize 50% of the Land Under GM Crop

As per an estimate Brazil stands as second largest producer and exporter of soybean on a global basis. Last year the government of Brazil had already given the consent to the farmers for growing Genetically Modified Crop, this year [2006-07] it is expected that farmers would cultivate around 22 million hectares of land under soybean

cultivation out of which 11 lakh hectares is supposed to be under GM soybean as per Embrapa; a crop science research Institute at Brazil. The GM soybean is said to be resistant against commonly occurring weeds, which have been a serious problem in soybean-cultivated fields. Monsanto is said to be the sole company in Brazil permitted to sell off roundup soybean variety in state designed to bear resistance against most of the weeds.

USDA Ask Temporary Storage for Soybeans

USDA has approved temporary storage for 2006 crops of soybeans and rice, but rejected emergency storage for soybeans. USDA published a notice in the October 4 Federal Register explaining the decision. The 2006 crop harvest is expected to exceed available commercial storage space in certain areas, FSA has taken actions to

ensure adequate availability of storage space at harvest for producers seeking warehouse-stored marketing assistance loans for grain. Because soybeans are more susceptible to weather, infestation and other deteriorating conditions than bulk grains, soybeans are not approved for emergency storage space. Source : USDA

GOI: Revise Tariff Value on Edible Oils

Government of India revised base import prices on October 1st keeping the prices unchanged. In a decision Central Government on Sunday notified revision of tariff value on imported Oil with a view to tone up the prices of imported oil

compared with the international levels and to make the domestic oil prices more competitive compared to its imported counter parts.

Table A: GOI: Revised Base Import Prices
Unit (US \$/Ton)

Commodities	Current Tariff Rate (w.e.f. 1.10.06)	Previous Tariff Rate (26.09.06)	Change (US \$/Ton)
Crude Palm Oil	447	447	-
RBD Palm Oil	476	476	-
Others - Palm Oil	462	462	-

Crude Palmolein	481	481	-
RBD Palmolein	484	484	-
Others - Palmolein	483	483	-
Crude Soybean Oil	580	580	-

Source: CBEC, Dept of Revenue, GOI.

Major Importers of Malaysia's Palm Oil

Estimates of exports sale figure issued by Cargo Surveyor SGS on Wednesday i.e. October 11 for the period of October 1-10, 2006. The major importers of Malaysian palm oil were as follows: 1. India 2. China 3.USA and 4. EU. Country wise brief highlights of imports are as follows: Table 2 shows that import of Malaysia's palm oil from India

increased with overall gain of 35.85% on high uncoming festival days demand compared to the last month. EU and USA registered rise in import of the Malaysian palm oil by 147.41 and 240.90 % respectively while China registered decline by 23.89%.

Table 2: Shows the major import destination of Malaysian palm oil:

(Unit: MT)

Countries/Continents	Oct 1-10	Sep 1-10	Change %
European Union	112,102	45,310	+147.41
China	103,443	135,917	-23.89
United States	41,931	12,300	+240.90
India	41,100	30,254	+35.85

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Spot market prices for palm oil during the week starting Oct 9 lack enough demand to support its prices in the different centres. The decline is owing to the lack of trader's expectation of high export data from Malaysia fuelling the BMD futures prices. This results into decline in the spot market prices this week on low landing cost of the imported palm oil group. Some improvement could be noticed in later part of the week taking bullish cues from rising crude oil prices. A cargo surveyor SGS (Malaysia) Bhd. released its export sales estimates on Tuesday i.e. October 10, for the period of October 1-10, 2006 totaled 4,51,199 metric tons, up 23.4% from 3,65,521 tons in Sep 1-10. Export of RBD Palm Olein and RBD Palm Oil decline by 2.90% and 14.69% while, RBD Palm Stearin declined by 7.42% and

Crude Palm oil increased by 194.09%, compared to the corresponding period. While import of Malaysia's palm oil to India increased by 35.85% on high demand while declined in China by 23.89% on weak demand for corresponding period. EU and USA registered increased in import of the Malaysian palm oil by 147.41% and 240.90 % respectively. In domestic market, RBD Palmolein in Mumbai improved initially but remains range bound for most of the time. Prices at Chennai remain mixed and the market lack proper direction. Rise in FOB prices of CPO provided underlying support and restricts any further decline. Prices at other location witnessed mixed sentiments during the week. Approaching festivals expected to provide additional support to the prices in near terms as per traders.

Weekly prices for CPO**(Rs/ 10 kg)**

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Kandla	379	380	379	377	378	380

Weekly prices for RBD Palmolein**(Rs/ 10 kg)**

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Kandla +VAT	404	404	404	403	403	403
Mumbai +VAT	410	411	411	411	411	411
Chennai +VAT	422	427	425	427	430	437
Kakinada +VAT	404	408	405	404	405	405
Hyderabad +VAT	430	420	425	425	420	420
Delhi	440	440	438	430	440	440

MC: Market Closed**Weekly prices for FOB (Kandla)****(US \$ / MT)**

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
CPO	420	425	425	425	427	432
RBD Palmolein	442	447	447	447	450	452

MC: Market Closed**Refined Soy Oil**

Refined soy prices gained slightly in Kota, Hyderabad and Chennai during the week. The accumulation of arrival pressure by growing states dampens possibility of further improvement but core support is provided by festival days demand ahead. Rise in CIF price provide further support to gain in above spot market. Festivals days induced high influx of refined oil in nation to meet the required demand in coming days subdued prices in other locations. Firmness in BMD futures in later part of week and bearish sentiments in eCBOT glued soy refined oil price to range bound at spot .

market. As per traders the prices will improve in near term in the spot on increased demand on eve of festivals season. Soybean arrival influx expected to weak in market, as traders will clears off their old stock first. The quality remains poor on high moisture content, as these new soybean seeds are not viable for crushing. The CIF rate for refined soy oil for September-January shipment increased and remains in the range of \$582-\$586 during the week. Domestic market likely to follows development in international market closely in near terms

Prices for Soy (Ref) during the week**(Rs/ 10 kg)**

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Mumbai +VAT	411	412	412	412	409	410
Indore +VAT	406	408	407	403	404	409
Kota +VAT	403	405	404	404	404	407
Jaipur +VAT	406	408	407	407	407	410
Hyderabad +VAT	433	437	435	434	434	433
Chennai +VAT	432	435	435	434	435	435
Rajkot +VAT	400	400	398	398	398	398

MC: Market Closed**Prices for Soy Degum (Mumbai) during the week****(Rs/ 10 kg)**

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Mumbai	394	398	396	395	395	397

Rise in CIF Soya during the week**(US \$ / MT)**

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Kandla & Mumbai	582	590	586	586	593	593

Rape/Mustard Oil

Mustard oil prices down in Kota and Jaipur Market on weak demand. Mustard seed sowing is expected to get delay on prevailing high temperature as per trade sources. The selling price of mustard seed by NAFED declined initially and improved in later part of week due to large demand by millers to meet upcoming festival demand. The prices in Mumbai decline however on reduced off takes. At other locations demand remains low and witnessed fall in prices.

At few locations NAFED mustard seed stock depleting day be day on increase demand. The NAFED selling prices of mustard seed during the week in different location in Rajasthan ranged from Rs 1590-1600 for new seeds per quintal, while old stock sold at Rs 1490-1510 per quintal. The mustard oil prices in near terms will much depend on festival demands from the Northern region.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Mumbai + VAT	412	411	411	410	410	410
Kota +VAT	382	385	382	382	382	385
Jaipur +VAT	385	387	382	382	382	388
Delhi	410	412	409	409	410	415
Neewai +VAT	NA	384	384	383	383	386

Groundnut oil

Groundnut oil prices witnessed weak to range bound sentiments during the week under review amid high arrival pressure in few centres. Gujarat groundnut production is expected at 16 lakh tonnes while area fell short from 18 lakh hectare to 16.5 lakh hectare as per Saurashtra Oil Miller's Association. Prices at Chennai market saw

improvement on some demand, as the other oils remain firm keeping the groundnut oil prices at higher level on low stock position. The development in overseas market is likely to influence its price in near term in addition with upcoming festival demand. Range bound price could be registered in other locations.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Mumbai +VAT	565	565	565	565	565	555
Rajkot +VAT	550	545	540	535	525	525
Andhra Region	590	590	595	590	590	585
Chennai +VAT	560	562	570	570	570	555
Delhi	530	525	523	530	525	500

Sunflower Oil

Domestic spot market prices of rise almost all the centers on little improvement in demand and closely following other oils. The price in near term is expected to decrease on

likely to improve arrival and improve stock position. Demand is expected to increase on approaching Diwali and may show firmness in near terms.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Mumbai +VAT	507	507	507	507	507	507
Chennai +VAT	517	522	522	520	525	522
Hyderabad +VAT	505	510	510	510	510	515

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Kandla & Mumbai	628	621	626	631	631	626

Cotton Refine Oil

Cotton oil prices on spot faced fall on improvement in arrival pressure on most of centres remain slightly weak in rest of location. The cotton oil started to arrive in few

locations thereby results into weak sentiments into the market. The prices of the cotton oil will much depend on its arrivals and governed by the prices of other oils.

Prices for Refined Cotton Oil during this week

Markets	9.10.06	10.10.06	11.10.06	12.10.06	13.10.06	14.10.06
Mumbai +VAT	442	442	442	430	430	425
Hyderabad +VAT	435	440	435	440	435	430
Rajkot +VAT	437	432	423	418	418	419
Delhi	420	420	418	415	415	415

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

BMD Futures High on Friday

The most active contract of Dec. ended with firm note at MYR1,576. Rise in crude oil futures price improved biodiesel demand with pushed market up. However, some

underlying support provided by SGS cargo on optimism of rise of export and supply data of October 1-15 pushed up sentiments among traders mark BMD future to rise.

CBOT Soy Futures Settle High

Soy futures at Chicago Board of Trade settled up on Thursday. November soybean settled up 17.5 cents at \$5.7975 and January up \$6.1 at \$173.3 per short ton and December soybean oil up 39 points at 24.89 cents per pound. Marginal increase in estimates for production and ending stock was taken bullish. United State Department of Agriculture (USDA) estimated the soybean production at 3.189 billion bushels against average expectations of 3.206 billion bushels and its previous estimates of 3.093 billion bushels in September. Ending stock for US soybean was put at 555 million bushels compared to trade expectations

of 580 million bushels and its previous estimates of 530 million bushels. Weather so far is not concerning. Forecast calling for more rains for late next week provided mild support. These rains might slow the harvest pace. Traders are expecting moderate numbers from weekly export report to be released on Friday. Traders are expecting soybean sales to come in the range of 6.50-7.50 lakh ton versus sale of 1.254 million ton last week. Meal sales are expected in the range of 10-15 lakh ton and oil sales between 2000-7000 ton.

WEEKLY WEATHER WATCH

WEATHER FORECAST FOR NEXT 5 DAYS

Anti-cyclonic circulation over NW India spread and covered some more area. With this, southwest monsoon has withdrawn from the remaining parts of Jharkhand & Chhattisgarh, most parts of Maharashtra & Orissa, some more parts of Gangetic WestBengal and some parts of North Interior Karnataka & Telangana. The withdrawal line passes through Cooch Behar, Midnapore, Bhubaneshwar, Hyderabad, and Ratnagiri A western disturbance (W.D.) is likely to affect J&K and adjoining region during next 48 Hrs. October 06. Under its influence the hilly regions of NW India are likely to receive scattered rains. Model predictions suggests that another W.D. is likely to approach J&K and adjoining during 18-19 October. An east-west oriented shear zone lies across south peninsular India. Model predictions suggest that rainfall over south peninsular India is expected to enhance in coming 4-5 days. Model predictions suggest formation of a cyclonic circulation over Bay of Bengal around 19th October.

Heavy Rainfall Warning:

Isolated heavy falls are likely over Andaman & Nicobar Islands, Coastal Karnataka and Kerala.

Zone-wise weather forecast

NORTH & NORTH-WEST INDIA: Hilly regions of NW India viz. J&K, H.P. and Uttranchal are likely to receive scattered conditions.

rainfall during next 48 Hrs. Thereafter the hilly region may receive isolated to scattered rains during 18-19 October.

EAST AND NE INDIA: Scattered rainfall is likely over NE States during next 3-4 days. Rainfall activities is likely increase over West Bengal during next 24 Hrs. East Uttar Pradesh, Bihar and Jharkhand are likely to experience mainly dry weather.

CENTRAL INDIA

Mainly dry weather is expected over the region during next 4-5 days

SOUTH INDIA: Scattered to fairly widespread rainfall with isolated heavy rains is likely over Andaman & Nicobar Islands and fairly widespread over Coastal Karnataka and Kerala during next 3-4 days. Tamilnadu is likely to experience scattered rains. Isolated to scattered rainfall activity is likely over Coastal Andhra Pradesh during next 2-3 days. Isolated rainfall is likely over North Interior Karnataka.

WEST INDIA: Scattered to fairly widespread rainfall is expected over Konkan & Goa during next 24Hrs. and reduce thereafter. Isolated rainfall is likely over Madhya Maharastra and Marathwara . Rest of the region is likely to have mainly dry weather.

Source: **NCMRWF**

PORT WATCH

Port updates of edible oils in India (Oct 9-Oct 14, 2006)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
SBO	46,500	62,073	108,573
Palm oil	29,700	3,000	32,700
CPO	71,705	79,282	150,987
Total	147,905	144,355	292,260

Source: ANAS

Forex Rates:

(October 14, 2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.49
European Union	Euro	56.92
Japan	100 Yen	38.04
United Kingdom	Pound Sterling	84.41

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