

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 640,200 MT were 3 percent above the previous week, but 32 percent under the prior 4-week average. The major buyers were China (335,900 MT, including 55,000 MT switched from unknown destinations), Mexico (156,100 MT), Spain (59,300 MT, including 55,000 MT switched from unknown destinations), and Taiwan (48,700 MT). Decreases were reported for unknown destinations (79,000 MT). Exports of 1,226,100 MT were 4

percent above the previous week and 48 percent over the prior 4-week average. The primary destination was China (829,000 MT), with smaller quantities to Taiwan (80,100 MT), Indonesia (69,900 MT), Spain (59,300 MT), and France (57,500 MT).

Source:USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 57,700 MT were 43 percent below the previous week. The major buyers were Canada (19,200 MT), Mexico (11,500 MT), Colombia (5,700 MT), and Nicaragua (5,300 MT). Exports of 116,600 MT were 16 percent below the previous week, but 1 percent over the prior 4-week

average. The primary destinations were Canada (28,400 MT), Mexico (27,000 MT), Colombia (22,200 MT), and Cuba (13,900 MT).

Source:USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 5,800 MT were mainly for Mexico (3,700 MT), Guatemala (1,500 MT), and Canada (400 MT). Exports of 7,800 MT were primarily for Guatemala (4,000 MT),

Jamaica (2,200 MT), Mexico (700 MT), and Canada (500 MT).

Source: USDA

ASA Find Way for Soybean Consumption in India

American Soybean Association (ASA) had taken initiative to promote soybean by young entrepreneurs to establish small industries to make them independent in Guwahati, which further expected to replicate in other states too. With their support, a group of educated youth came forward with the initial investment of Rs. 5 lakhs to produce soybean product like paneer, soyamilk and soya noodles etc. The early hesitations by customers to accept above products

ends with gush of soybean product in the market. Slowly, country is showing interest in imported soybean oil from USA, this could be lead an alarming note to domestic soybean oil industry. The expected vision of ASA's marketing agency might curb the domestic soybean output as USA is the largest soybean producer and having good stock of soybean year after year and searching market for its consumption and Asian market would be the best option.

Palm oil Export Increase SGS Estimate

Export figures released by SGS cargo estimated Malaysia palm oil export rose by 9.4%. In October month palm oil exported totaled 1,430,900 metric tons from September export of 1,307,543 metric tons. Rising biodiesel demand in

European countries fuelling palm oil import, which like to triple by 2011.

Mustard seed MSP Remain Unchange

CCEA decided not to revise the MSP of mustard seeds. The MSP will stand firm at 1715/qttl. Since acreage for mustard-rapeseed is likely to be lower on comparative

basis, farmers might shift to other remunerative crops by change acreage from rapeseed.

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

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

Commodities	Current Tariff Rate (w.e.f. 31.10.06)	Previous Tariff Rate (26.09.06)	Change (US \$/Ton)
Crude Palm Oil	447	447	-
RBD Palm Oil	476	476	-
Others - Palm Oil	462	462	-

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

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 Thursday i.e. November 1 for the period of October, 2006. The major importers of Malaysian palm oil were as follows: 1. EU 2. China 3.USA, and 4. India. Country wise brief highlights of imports are as follows:

Table 2 shows that import of Malaysia's palm oil to India declined with overall 43.39% on low demand compared to the last month. EU and USA registered rise in import of the Malaysian palm oil by 69.04% and 107.90 % respectively while China registered decline by 24.15%.

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

(Unit: MT)

Countries/Continents	October	September	Change %
European Union	3,68,792	2,18,165	+69.04
China	3,00,253	3,95,833	-24.15
United States	1,48,725	71,536	+107.90
India	65,075	1,14,954	-43.39

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Overall sentiments for palm oil prices improved in the spot market during the week on increasing retail and vanaspati makers demand. There was good demand witnessed in Delhi as market reopen on Thursday after 3 days closing in protest of sealing. High crude palm oil futures on BMD helped domestic market to gains some acceleration. During the week, FOB prices gained \$5 to \$ 465 lead to costlier landing of palm oil had bullish impact. Firm advice of soy oil in overseas market somehow helped market to gain in prices. According to a cargo surveyor SGS (Malaysia) Bhd. export sales for the period of October totaled 1,430,900

metric tons, up 9.4% from 1,307,543 tons during the September whereas, export of RBD Palm Olein and RBD Palm Stearin decline by 10.67% and 12.16% respectively. Export figures for RBD Palm Oil and Crude Palm oil increased by 62.83% and 23.65% respectively. As per report, the import of Malaysia's palm oil to China and India declined by 24.15% and 43.39% respectively during this period. Export to EU and United States increased by 69.04% and 107.90% respectively. Sentiments in other vegetable oils and import situation will determine the palm oil futures in the domestic market.

Weekly prices for CPO

(Rs/ 10 kg)

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Kandla	390	391	390	390	390	390

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Kandla +VAT	407	406	405	406	407	407
Mumbai +VAT	Closed	419	420	422	424	424
Chennai +VAT	440	436	438	444	442	441
Kakinada +VAT	420	417	417	420	418	418
Hyderabad +VAT	450	448	448	450	448	450
Delhi	Closed	Closed	Closed	450	450	455

MC: Market Closed

Weekly prices for FOB (Kandla)**(US \$ / MT)**

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
CPO	460	455	455	465	465	462
RBD Palmolein	485	480	480	490	490	487

MC: Market Closed**Refined Soy Oil**

Spot market prices of refined soy prices gained in nearly all centres on increasing demand from stockiest to complete their inventories as well as firmness on CBOT during the week. Soy oil futures prices on CBOT gained on strong sentiments like tailing end of harvest, gained in other grains and expectation of low acreage in next year had bullish impact. Harvesting also come to tailing end in major growing areas added bullishness in the spot market. Some

additional support also came from firmness in BMD futures strengthen the market. Steep rise in CIF prices of palm oil helped market to gain some momentum. The CIF rate for refined soy oil for September-January shipment remained in range of \$628-\$653 during the week. Its prices expected to come down in coming days on abound arrival ready to hit the market and development in overseas market will provide additional support to domestic market.

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

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Mumbai +VAT	Closed	417	415	418	417	417
Indore +VAT	408	405	404	407	407	404
Kota +VAT	NA	415	413	417	415	415
Jaipur +VAT	NA	418	416	421	421	421
Hyderabad +VAT	436	433	430	435	435	440
Chennai +VAT	450	448	451	452	452	450
Rajkot +VAT	413	411	411	412	416	418

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

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Mumbai	NA	403	403	407	407	409

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

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Kandla & Mumbai	628	635	638	643	653	663

Rape/Mustard Oil

Sentiments of mustard oil prices remained high during the week on increasing demand from millers/crushers to increase stock positions. Many traders are expecting to rise in mustard oil consumption as temperature goes down in approaching winters. NAFED's mustard seed selling is still high in many centres to offset above demand. Selling price of mustard/rape seed by NAFED increased during the week and in different location in Rajasthan ranged from Rs

1620-1775 per quintal for last year seed stock Prices of mustard oil in Mumbai increased significantly on retail demand. Cabinet committee on Economic Affairs declined to change in mustard seed MSP (Minimum Support Price) and kept same had bullish impact. Mustard oil prices in near terms will much depend on NAFED stand and scenario in other vegetable oils.

Prices for Rape Expeller Oil**(Rs/ 10 kg)**

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Mumbai + VAT	Closed	428	428	431	434	434
Kota +VAT	397	395	395	408	408	410
Jaipur +VAT	402	404	400	415	415	418
Delhi	Closed	Closed	Closed	435	435	430
Neewai +VAT	405	405	410	410	420	410

Groundnut oil

Groundnut oil markets witnessed by weak to steady sentiments in majority of centres. Firm sentiments seen in Hyderabad where is strongly influenced by gained in soy oil prices. There is improved arrival with steady demand supported the prices during the week. In major produce

areas arrival likely to pick-up in coming days and present condition not supportive to gain in its prices. After festive mood, millers will see more crushing to fills their depleting stock. The prices are likely to fall in coming weeks on expecting heavy arrival pressure.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Mumbai +VAT	Closed	540	540	540	540	535
Rajkot +VAT	520	511	500	505	510	512
Andhra Region	590	580	590	590	580	590
Chennai +VAT	560	560	560	560	560	560
Delhi	Closed	Closed	Closed	530	530	530

Sunflower Oil

Domestic spot market prices of sunflower refined oil improved on increasing demand as well as rising CIF prices. This leads to costlier landing of oil in country as well as emergence of new demand supported its prices. Its price

likely to follows the trends in other vegetable oil mainly soy oil. Market is expected to remains in steady to improved in the near terms.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Mumbai +VAT	Closed	512	520	520	525	530
Chennai +VAT	535	535	530	540	540	545
Hyderabad +VAT	530	530	530	540	550	555

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Kandla & Mumbai	643	658	658	663	666	666

Cotton Refine Oil

Sentiments remained steady in refined cotton oil prices on steady demand in spot market. Improvement in arrival noticed at few locations but bad weather situations bring

down produce in the market. Still mills are lagging behind to its full capacity added additional support. Arrival pressures will determine its prices in coming days.

Prices for Refined Cotton Oil during this week

Markets	30.10.06	31.10.06	01.11.06	02.11.06	03.11.06	04.11.06
Mumbai +VAT	Closed	427	427	424	427	427
Hyderabad +VAT	440	435	430	440	435	440
Rajkot +VAT	427	422	417	422	426	428
Delhi	Closed	Closed	Closed	418	418	415

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

BMD Crude Palm Oil Futures Settle Down

Friday was profit-booking day after crude palm oil gains 30 months high on Thursday. There was sharp decline in crude oil prices made biodiesel demand less competitive and encourage traders to book their profits. The most active contract of January crude palm oil futures ended

down MYR 31 at MYR1,693. According to traders interplay by vital commodities like crude oil and competitive soy oil price expected to have significant influence on crude palm oil futures.

CBOT Soy Futures Ends Up

Soy futures finished up on Friday. January soybean futures finished up 1.50 cents at \$6.6275 and March up 1.50 cents at \$6.7375 per bushel. December soybean finished up \$0.2

at \$195.5 per short ton and Dec soybean oil up 0.18 points at 27.68 cents per pound. In early-session, speculative buying pushed the market down but gradually increase in

fund buyers in mid-session and helped market to recover from recent losses with gains of 14 cents for January soybeans in end of the trade day. Huge deliveries with lack of private houses had bearish impact. Ideas that soybean should stay higher in order to avoid too much acreage in

corn, helped soybean to re bound with slightly gain. Some support provided from increasing meal production in order to meet rising bio-diesel production and addition support came from its competitive ethanol production.

WEEKLY WEATHER WATCH

WEATHER FORECAST FOR NEXT 5 DAY

An Easterly wave is active over south peninsula. Under its influence rainfall activities over peninsula is likely to continue during next 4-5 days. A trough in mid tropospheric westerlies extending from west Uttar Pradesh to east central Arabian sea. Under its influence isolated to scattered rainfall is also likely over parts of east India and adjoining parts of central India. Dry weather is likely to continue over North-west India. Night temperatures continue to be above normal by about 3-4 °C over many parts of north and central India. Night temperatures are likely to fall after 48 hrs over northwest India due to expected northerly winds over the region.

Heavy Rainfall Warning: Isolated Heavy rainfall is likely over coastal Tamil Nadu, south coastal Andhra Pradesh, Kerala, coastal & south interior Karnataka and Lakshadweep.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Isolated rainfall/ snowfall is likely over J&K, Himachal Pradesh during 7-8 November. Mainly dry weather is likely over rest of the region.

EAST AND NE INDIA: Isolated rainfall is likely over East U.P. Bihar, Jharkhand, Orissa and West Bengal during next 48 hrs. Mainly dry weather is likely over rest region during next 3-4 days.

CENTRAL INDIA: Scattered rainfall is expected over Chhattisgarh. Isolated rainfall is likely over Vidarbha and Madhya Pradesh.

SOUTH INDIA: Scattered to fairly wide spread rainfall is likely over Tamilnadu, Karnataka and Kerala during next 4-5 days. Isolated to Scattered rainfall is expected over rest of region.

WEST INDIA: Fairly widespread rainfall with heavy fall is expected over Konkan & Goa. Scattered rainfall is likely over Madhya Maharastra and Marathwara during next 48 hrs, and then mainly dry weather condition may prevail over the region. Mainly dry weather conditions are expected over Gujarat and Rajasthan during next 3-4 days.

Source: NCMRWF

PORT WATCH

Port updates of edible oils in India (Oct 30-Nov 04, 2006)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
SBO	-	12,500	12,500
Palm oil	29,312	16,100	45,412
CPO	27,300	74,300	1,01,600
Total	56,612	1,02,900	1,59,512

Source: ANAS

Forex Rates:

(November 04, 2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.84
European Union	Euro	57.02
Japan	100 Yen	37.99
United Kingdom	Pound Sterling	85.23

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