

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 801,900 MT were 6 percent above the previous week and 18 percent over the prior 4-week average. Major increases were reported for China (253,500 MT), unknown destinations (197,000 MT), Japan (104,800 MT), Mexico (76,600 MT), Portugal (66,900 MT, including 60,000 MT switched from Spain), and Turkey (51,200 MT, including 30,000 MT switched from Syria). Decreases were

reported for Spain (60,000 MT) and Syria (30,000 MT). Exports of 609,500 MT were 48 percent below the previous week and the prior 4-week average. The primary destinations were China (225,500 MT), Taiwan (78,900 MT), Portugal (66,900 MT), Japan (62,000 MT), and South Korea (49,200 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 245,900 MT were 85 percent above the previous week and 77 percent over the prior 4-week average. Major increases for Mexico (85,000 MT), Chile (44,400 MT), Canada (37,600 MT), Egypt (23,200 MT), and Japan (17,000 MT). Decreases were reported for Israel

(7,500 MT) and Guatemala (5,500 MT). Exports of 123,500 MT were 8 percent below the previous week and 3 percent under the prior 4-week average. The primary destinations were Chile (44,400 MT), Mexico (28,700 MT), and Canada (22,100 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 300 MT were mainly for Canada (100 MT) and the United Arab Emirates (100 MT). Exports of 4,100 MT were primarily for Guatemala (2,500 MT), Mexico (900 MT),

Saudi Arabia (300 MT), and Canada (200 MT). Source: USDA

Low Oilseed Output May Strengthen Edible oil Import

A recent released from Solvent Extractors Association of India highlighted import of vegetable oil may increase to 60 lakh tons amidst increasing domestic consumption along with depleting ending stocks of mustard and other kharif

oilseed during oil year 2006/07. Total oilseed production is expected to around 240-250 lakh tons during 2006/07 down from 30-35 lakh tons from last year, added firmness to import figures.

Crude Palm oil Export Sales Down by SGS

Crude palm oil export sales estimation on Monday Nov 20, by a cargo surveyor SGS (Malaysia) for the period of Nov 1-20 highlighted export sales down by 9% to 8,56,664

metric tons against 9,41,070 tons in the Oct 1-20. However, import from India declined by 45.67% to 30,100 metric tons in comparison to 55,300 tons.

Edible oil Prices Improve in Domestic Market

Domestic edible oil prices improved during the last week due to firmness in overseas market as our market are largely depend on import oil like soy oil, palm group oil and sunflower etc. Although, oilseed harvest in progress in many areas remained clueless to this change. Latest by Friday Nov 17, crude palm oil prices rose during the week

to Rs. 400/10 kg against Rs. 392/10 Kg likewise refined, bleached and deodorized palm olein at 434/10 Kg in comparison ot Rs. 425/10 Kg. Again groundnut oil prices moved up to Rs. 562/10 Kg from Rs. 555/10 Kg and refined soy oil from Rs. 429/10 Kg to Rs. 434/10 Kg.

Vanaspatti Import De-canalize

In a public release on Tuesday by Directorate General of Foreign Trade (DGFT), limited vanaspatti import including bakery shortening and margarine to 2.5 lakh tons /annum

from Sri Lanka under Indo-Sri Lanka Free Trade Agreement and Centre had been made duty-free and de-canalized, opening it up for free imports.

Oilseed Plantation Area Estimate Down

Rapeseed acreage until Nov 17 estimated at 5.23 million hectares against 5.67 million hectares last year. While total oilseeds estimation from Oct 1-Nov 17 estimated at 6.73

Farmers Shifting to Wheat & Chana Cultivation

According to the experts, traditional mustard farmers are now shifting to wheat and chana (grams) cultivation due to speculation of better prices in the near future. Therefore the mustard acreage has been declining and estimated to 52.37 lakh ha, dip by 7.73% as on November 16 as compared to last year of 56.76 lakh ha. However acreage of wheat has tremendously increased by 45% to 70.759

million hectares, in comparison to 7.52 million hectares in last year. The low covered areas of rapeseed due to shift to other remunerated crops like chana and wheat etc.

lakh hectares as of Nov. 16, up by 22 lakh hectares from a year earlier period. Attractive prices for wheat and chana are forcing farmers to use their mustards lands to these crops. Sowing of chana has increased by around 20% to 47.25 lakh ha over 39.74 lakh ha during the review period. Wheat acreage has been enormously increasing in mustard growing belt like U.P, Haryana, Rajasthan, and M.P.

GOI: Revise Tariff Value on Edible Oils

Government of India continued its revised base import prices since 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. 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	-

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 Monday i.e. November 20 for the period of November 1-20, 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 and USA declined with overall 45.57 and 43.00% respectively on low demand compared to the corresponding period. EU and China registered rise in import of the Malaysian palm oil by 5.57% and 4.44%.

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

(Unit: MT)

Countries/Continents	November 1-20	October 1-20	Change %
European Union	2,49,447	2,36,296	+5.57
China	1,91,486	1,83,352	+4.44
United States	62,604	1,09,834	-43.00
India	30,100	55,300	-45.57

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Palm oil prices remained firm in the spot market during the week starts Nov 20 on exceeding demand over supply. Domestic palm oil market also borrowed some momentum from highs of crude palm oil BMD futures earlier of the week due to rally in corn and soy oil in overseas market since Argentina suspended corn export. A cargo surveyor SGS (Malaysia) Bhd. released its export sales estimates on Monday i.e. November 20, for the period of November 1-20, 2006 totaled 8,56,664 metric tons, down 9.0% from 9,41,070 tons during corresponding period. Export of RBD Palm Oil, RBD Palm stearin and crude palm oil decline by

33.49%, 20.62% and 17.02% respectively while, RBD Palm Olein increased by 12.90%, compared to the corresponding period. While import of Malaysia's palm oil to USA and India declined by 43.0% and 45.57% respectively while EU and China registered an increase by 5.57% and 4.44% respectively. Crude palm oil FOB prices showed a marginally decline during the week, fail to produce any negative effect. Development in overseas market especially BMD crude palm oil futures will be guiding force of palm oil activities in the domestic market.

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

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Kandla	408	413	409	409	408	412

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

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Kandla +VAT	423	427	428	428	428	428
Mumbai +VAT	440	450	448	451	451	450
Chennai +VAT	450	455	455	455	455	455
Kakinada +VAT	430	433	430	430	430	426
Hyderabad +VAT	462	463	463	463	463	460
Delhi	475	470	475	470	470	470

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

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
CPO	502	520	505	497	505	512
RBD Palmolein	522	550	535	527	530	537

MC: Market Closed**Refined Soy Oil**

Refined soy prices showed a sharp rise in the spot market during the week on back of high demand in most of centres. Weakness in meal demand from exporters settled with low crushing of soybeans lead into slightly shortage of soy oil in the market against actual demand. Some support also came from gains in CIF prices, which moved up \$20 during the week. Overall firmness in BMD futures and early rally in

corn and soybeans kept CBOT soy futures up had some bullish impact in domestic market. The CIF rates for refined soy oil for December shipment increased and remained in the range of \$695-\$705 during the week. According to trade sources, similar follow-through sentiments in demand likely to prevail in coming week.

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

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Mumbai +VAT	451	460	461	468	468	470
Indore +VAT	438	444	443	446	448	451
Kota +VAT	NA	455	455	460	460	465
Jaipur +VAT	NA	458	460	465	465	470
Hyderabad +VAT	465	470	475	475	470	465
Chennai +VAT	475	485	485	485	485	485
Rajkot +VAT	450	450	445	450	458	470

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

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Mumbai	437	445	445	447	447	449

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

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Kandla & Mumbai	695	703	706	705	706	707

Rape/Mustard Oil

Mustard oil prices are moved up under influence of other vegetable oils in nearly all centres. There is as such no change in demand is noticed as compared to a week ago

but supply has effected on low crushing over higher prices of mustard seed had some bullish impact. Nafed is still having high mustard seed stock against other stockist and

sold its mustard seed during the week in range of Rs. 1875-1890 per quintal for last year stock provided underlying

support. Crushing conditions and demand from retail and stockist will be determining mustard oil prices in near terms.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Mumbai + VAT	462	470	470	475	475	475
Kota +VAT	445	450	445	450	460	460
Jaipur +VAT	452	458	455	455	465	468
Delhi	475	485	485	490	490	490
Neewai +VAT	445	455	450	452	452	452

Groundnut oil

Mustard oil prices are moved up under influence of other vegetable oils in nearly all centres. There is as such no change in demand is noticed as compared to a week ago but supply has effected on low crushing over higher prices of mustard seed had some bullish impact. Nafed is still

having high mustard seed stock against other stockist and sold its mustard seed during the week in range of Rs. 1875-1890 per quintal for last year stock provided underlying support. Crushing conditions and demand from retail and stockist will be determining mustard oil prices in near terms.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Mumbai +VAT	565	575	580	580	580	580
Rajkot +VAT	533	540	540	546	550	550
Andhra Region	650	650	650	635	630	630
Chennai +VAT	570	580	580	580	580	575
Delhi	600	600	600	570	570	570

Sunflower Oil

Sunflower refined oil prices improved in the domestic spot market prices of on increasing demand as well as spiraling CIF prices. CIF prices gains by \$20 during the week results costlier landing of sunflower refined oil in the country as

well as inconsistent arrival supported its prices. Its price likely to follows the development in overseas market especially soy oil in coming week.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Mumbai +VAT	580	605	605	615	615	610
Chennai +VAT	600	605	610	610	612	612
Hyderabad +VAT	600	620	635	640	615	615

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Kandla & Mumbai	720	730	728	738	740	740

Cotton Refine Oil

Spot market of refined cotton oil remained bullish in the domestic market on increased stockist demand to piles up their inventories. Arrivals remain steady during the week supported price gain in addition some improvement in meal

demand. Stockist's demand is likely to steady and groundnut refined oil prices will much more demand upon crushing status in coming days.

Prices for Refined Cotton Oil during this week

Markets	20.11.06	21.11.06	22.11.06	23.11.06	24.11.06	25.11.06
Mumbai +VAT	450	462	462	462	462	462
Hyderabad +VAT	455	465	465	465	460	460
Rajkot +VAT	455	456	455	462	460	462
Delhi	445	450	442	445	440	440

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

BMD Crude Palm oil Futures Ends Up

The most active contract of February 07 finished high MYR40 to MYR1,876 per metric ton. Despite of selling pressure, market faced upward movement indicated dormant firmness in the market. The optimistic demand

from major consumers likes China and India in approaching months kept bulls high in the market. Palm oil production expected to be low under current dry weather conditions in Indonesia added the bullishness in the market.

CBOT Soy Futures Ends High

Soy futures ended high on Friday on Chicago Board of Trade. January soybeans futures settled high 10.25 cent at \$6.8425 and March ended up 10.0 cent at \$6.9675 per bushel. December soymeal finished high \$2.7 at \$194.8 per short ton and Dec soybean oil ended up 0.02 points at 28.89 cents per pound. Firm trade in corn managed to support January soybean futures from declining due to

weakness in energy, metals and other commodities. Temporary suspension of exports of oilseeds and grains from Argentina besides firm prices of soybean in China helped to gain for Jan soybeans. Though producers sold off lesser produce but firm cash basis levels added to positive pitch. Inside trading session for March oil and firm meal managed to give additional support to soy futures.

WEEKLY WEATHER WATCH

WEATHER FORECAST FOR NEXT 5 DAY

During past 24 hours night temperature has fallen by 2-3 °C over northwest India. Night temperature is likely to further fall by about 2-3°C over northwest and Central India during 2-3 days. Model prediction suggest that a western disturbance is likely to approach over Jammu & Kashmir and adjoining area around 29 November, 06. Under its influence scattered to fairly widespread snowfall/rainfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal during 29-30 November, 06. Punjab and Haryana may also likely to receive scattered rains during 30 November and 1 December 2006. Subdued rainfall activity over south Peninsula likely to continue during next 4-5 days.

Zone-Wise Weather Forecast

NORTH & NORTH-WEST INDIA: J&K, H.P. and Uttaranchal are likely to receive scattered rain/snowfall during next 24 Hrs. Night temperatures are likely to fall by 2-3 degree C over northwest India during next 2 days.

EAST AND NE INDIA: Isolated rainfall is expected over coastal Orissa, coastal West Bengal. East U.P, Bihar, Jharkhand and NE states are likely to be mainly dry.

CENTRAL INDIA: Mainly dry weather is likely over the region.

SOUTH INDIA: Isolated to Scattered rainfall is likely over Coastal A.P., Tamil nadu and Kerala.

WEST INDIA: Mainly dry weather conditions are expected over the region.

PORT WATCH

Port updates of edible oils in India (Nov 20-Nov 25 2006)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
Sunflower Oil	-	-	-
Palm oil	41,365	21,000	62,365
CPO	32,259	27,760	60,019
Total	73,624	48,760	1,22,384

Source: ANAS

Forex Rates:

(November 25, 2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.70
European Union	Euro	58.52
Japan	100 Yen	38.58
United Kingdom	Pound Sterling	86.34

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