

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 755,700 MT were 7 percent above the previous week and 6 percent over the prior 4-week average. China (298,600 MT) was the major buyer, with smaller quantities to Egypt (98,500 MT), Germany (89,900 MT, including 80,000 MT switched from unknown destinations), the Netherlands (69,400 MT, including 60,000 MT switched from unknown destinations), Indonesia (68,200 MT, including 65,000 MT switched from unknown

destinations), and Mexico (64,300 MT). Decreases were reported for unknown destinations (92,000 MT). Exports of 1,172,200 MT were 10 percent above the previous week and 9 percent over the prior 4-week average. The primary destinations were China (466,200 MT), Japan (128,300 MT), Thailand (124,800 MT), and Mexico (102,000 MT). Note: Accumulated exports for China were adjusted down by 59,200 MT. Source:USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 132,700 MT were 50 percent below the previous week and 8 percent under the prior 4-week average. Major increases were reported for the Dominican Republic (40,700 MT), Mexico (39,400 MT), Canada (35,200 MT) unknown destinations (24,000 MT), and Israel (22,500 MT, including 15,000 MT switched from South

Korea). Exports of 134,100 MT were 11 percent above the previous week and 10 percent over the prior 4-week average. The primary destinations were the Dominican Republic (39,000 MT), Canada (23,800 MT), Mexico (18,100 MT), Colombia (12,600 MT), and Guatemala (11,600 MT). Source:USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 18,000 MT were mainly for South Korea (12,000 MT), Hong Kong (3,000 MT), and the Dominican Republic (2,000 MT). Exports of 5,200 MT were primarily

for El Salvador (2,200 MT), Nicaragua (1,000 MT), Mexico (1,000 MT) and Canada (700 MT). Source: USDA

WASDE: U.S Oilseed Latest Report

U.S. oilseed ending stocks for 2006/07 are projected at 16.7 million tons, up 0.3 million tons from last month due to increased production. U.S. total oilseed production is projected at 97.0 million tons, up 0.7 million tons from last month. Soybean production is forecast at a record 3,204 million bushels, up 15 million bushels from last month based on a soybean yield of 43.0 bushels per acre. Soybean crush is raised slightly this month due to improved soybean meal export prospects. Soybean ending stocks are raised 10 million bushels to 565 million. Soybean and product prices are all raised this month. The U.S. season-average soybean price for 2006/07 is projected at \$5.40 to \$6.40 per bushel, up 50 cents on both ends of the range reflecting year-to-date price movements and strength in the corn market. Soybean meal prices are projected at \$165 to \$190 per short ton, compared with \$147.50 to \$177.50 last month. Soybean oil prices are projected at 24 to 28 cents per pound, up 1 cent on both ends of the range. Global oilseed production for 2006/07 is projected at a record 392.5 million tons, up 2.1 million tons from last month.

Foreign oilseed production is increased 1.5 million tons primarily due to higher sunflowerseed and cottonseed production. Sunflowerseed production for Russia and Ukraine are each raised to record levels this month based on higher-than-expected yields. Higher yields are in part due to increased use of hybrid seed in the past 2 years. Sunflowerseed production is also raised for Bulgaria based on higher yields and increased area. Global cottonseed production is raised this month as increased production for China, Uzbekistan, and the United States is only partly offset by reduced production in EU-25. Other changes include reduced rapeseed production for Australia, where drought has reduced yields by 50 percent from last year. Global oilseed crush is raised this month reflecting increased sunflowerseed crush in Russia and Ukraine, and increased soybean crush in Argentina and the United States. Global oilseed stocks are raised as higher stocks in the United States more than offset a small reduction in foreign stocks, including lower rapeseed stocks for Canada and reduced soybean stocks for Argentina.

Edible Oil Import Down by 12%

According to trade sources edible oil import in the country end on October 2006 down by 12% to 4.42 million tons against year 2004/05 accounted import of 5.02 million tons.

SGS Estimate Malaysian Palm oil Export Decline

Palm oil export sales estimated by a cargo surveyor SGS on Wednesday highlighted Malaysian Palm oil export down

This reduction in import is the outcome of high domestic oilseed production during the year 2005/06 and previous year carryover stock of mustard/rapeseed.

by 4.9% to 6,61,932 metric tons during the period of Nov. 1-15 against Oct 1-15 estimation at 6,96,108 tons.

IVPA Demand Vanaspati Import Through Nafed

A recent memorandum submitted to the Finance Ministry by Indian Vanaspati Producers Association (IVPA) demanded vanaspati to be import duty free from Nepal and to be canalised through National Agricultural Cooperative Marketing Federation of India (Nafed) same as with Sri Lanka. In the memorandum IVPA mentioned, in the domestic market out of 264 units, 148 unit had closed on cheap availability of vanaspati from manufacturers in Sri

Lanka, Nepal and Bhutan, which fills our domestic need by 2.5 lakh ton, 1 lt and 50,000 tons respectively. In addition to import from above countries, it also comes by smuggling. The raw material i.e. crude palm oil comes in Sri Lanka at nominal charge of \$ 25 per tons and it duty free in Nepal. Manufacturer from these countries selling its product at 4,000 per ton, which is relatively cheap against the domestic product.

Centre Retains MSP of Mustard Seeds to Rs 1715/qt

Despite the recommendation of CACP to fix MSP for mustard seeds at Rs 1600/qt, the Centre has decided to retain the MSP of mustard seeds to previous year's level of Rs 1715/ qt. This comes as good news for farmers of Rajasthan and MP who have sown mustard for this Rabi season. The very measure comes well on time when

projected production of mustard was expected to decline considerably on account of interplay of many factors. These factors are namely, decrease in acreage for mustard, temperature over optimum levels at the time of germination of seedlings and price disparity for supporting Rabi crop.

Oilseed Production Down by 26%

Divergence to other remunerated crop leads into down in oilseed acreage about 47.2 lakh hectare against 63.63 lakh hectare a year ago. Mustard acreage dipped by 27% to 34.76 lakh hectare during the period under review compare to 47.65 lakh hectare last year. Interestingly, nil acreage

reported in Uttar Pradesh till November 10 where sown nearly 8.1 lakh hectare during last year. Sunflower acreage reduced to 6.39 lakh hectare till November 9 against 8.43 lakh hectare last year.

Oilseed Production Likely to Down: COOIT

Central Organisation for Oil Industry (COOIT) had estimated oilseed production for year 2006/07, may fall short of expectations and it likely to be around 23.9 million

tons (MT) as earlier aimed at 29.4 MT, which government had set a target for oil seed annual production in the 10th Plan and reduction is likely to nearly 18%.

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. 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 Wednesday i.e. November 15 for the period of November 1-15, 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 EU, USA and India declined with overall 9.07, 53.37 and 26.76% respectively on low demand compared to the last month. China only registered marginally rise in import of the Malaysian palm oil by 5.33%.

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

(Unit: MT)

Countries/Continents	November 1-15	October 1-15	Change %
European Union	1,80,037	1,97,996	-9.07
China	1,47,975	1,40,482	+5.33
United States	32,700	70,131	-53.37
India	30,100	41,100	-26.76

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Spot market of palm oil during the week starting Nov 13 felt strong demand helped its prices to stay firm in the domestic market. However lion share the demand came from increased crude palm oil on BMD futures and partially supported by rising retail demand. Crude palm oil on BMD futures remained overall firm on lack of any fundamental news during the week. A cargo surveyor SGS (Malaysia) Bhd. released its export sales estimates on Wednesday i.e. November 15, for the period of November 1-15, 2006 totaled 6,61,932 metric metric tons, down 4.9% from

6,96,108 tons during Oct 1-15. Export of RBD Palm Oil, RBD Palm stearin and crude palm oil decline by 28.53%, 6.55% and 25.50% respectively while, RBD Palm Olein increased by 9.19%, compared to the corresponding period. While import of Malaysia's palm oil to EU, USA and India declined by 9.07%, 53.37% and 26.76% respectively while China registered an increase by 5.33%. Rise in Crude palm oil FOB prices supported domestic market to remain firm

Weekly prices for CPO

(Rs/ 10 kg)

Center	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Kandla	393	394	395	400	400	400

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Kandla +VAT	411	411	411	414	414	414
Mumbai +VAT	425	424	430	430	430	430
Chennai +VAT	438	437	441	442	440	440
Kakinada +VAT	417	418	420	421	420	420
Hyderabad +VAT	455	450	455	459	454	454
Delhi	460	450	465	470	465	475

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
CPO	465	467	472	480	475	477
RBD Palmolein	487	490	495	505	500	505

MC: Market Closed

Refined Soy Oil

Refined soy prices overall firm in the spot market during the week on account of rising demand in nearly most of locations. Nearly all mills are crushing soybeans seed in the full swing result increased oil output in major producing areas but increase off take by other states and stockiest to fill their inventories turned market high. Further spiraling of soy oil CIF price added the firm tone in the market. Overall firmness in BMD futures and on eCBOT provided

underlying support. As per traders the prices will improve in near term in the spot on increasing meal demand of exporters. Soybean arrival remained steady during the week had little bullish impact. The CIF rates for refined soy oil for December shipment jumped and remains in the range of \$651-\$682 during the week. Domestic soy oil prices is likely to follow development in overseas market closely in near terms.

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

Center	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Mumbai +VAT	438	437	443	445	444	444
Indore +VAT	425	420	425	428	428	433
Kota +VAT	431	433	447	444	446	444
Jaipur +VAT	435	436	450	448	450	448
Hyderabad +VAT	455	450	455	455	460	455
Chennai +VAT	460	460	460	462	464	466
Rajkot +VAT	440	438	440	440	444	445

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

Center	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Mumbai	420	421	423	428	430	430

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

Center	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Kandla & Mumbai	651	662	679	683	682	684

Rape/Mustard Oil

Sentiments of mustard oil prices stayed in firm tone in the spot market on increasing demand in retail market and as well as from upwardly trends in other vegetable oils. As per recent data highlighted mustard seed acreage dipped by 27% to 34.76 lakh hectares compare to 47.65 lakh hectares last year as well as nil acreage is reported in Uttar Pradesh till November 10 where sown nearly 8.1 lakh hectares during last year induced buyer to remained dominant in the

market during the week. Nafed also increased its mustard seed selling prices during the week, which in range of Rs.1760-1865 per quintal for last year stock had another bullish impact. Still, Nafed having mustard seed stock around 20 lakh tons, which will be dominate in the market. Mustard oil prices likely to follows the same trends as in others vegetable oil and crushing condition in near terms.

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

Center	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Mumbai + VAT	447	448	448	NA	NA	456
Kota +VAT	422	421	425	NA	436	445
Jaipur +VAT	428	430	425	NA	440	452
Delhi	442	442	465	475	473	475
Neewai +VAT	420	NA	435	440	445	440

Groundnut oil

Groundnut oil prices witnessed steady to firm sentiments during the week under review on high buying pressure from stockiest. In Mumbai and Chennai its prices remained steady on stable demand/supply scenario. Arrivals also kept steady during most part of week had bullish impact. Shifting of groundnut farmer to cotton and other

remunerated crops resulting decline in acreage by 9 lakh hectares added the firmness to groundnut refined oil in the market. The development in overseas market is likely to influence its price along with stockiests sentiments in following week.

Prices for groundnut oil during the week**(Rs/10 kg)**

Center	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Mumbai +VAT	560	560	560	560	560	560
Rajkot +VAT	525	525	525	530	528	530
Andhra Region	630	640	650	650	640	640
Chennai +VAT	560	560	560	560	570	570
Delhi	540	530	NA	590	590	590

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 \$9 during the week lead into costlier landing of in the country as well as inconsistent

arrival supported its prices. Its price likely to follows the development in overseas market especially 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	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Mumbai +VAT	552	565	568	572	575	575
Chennai +VAT	572	575	570	570	580	590
Hyderabad +VAT	570	570	585	590	600	595

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Kandla & Mumbai	703	709	708	715	718	712

Cotton Refine Oil

Spot market of refined cotton oil remained bullish in the domestic market on increased retail and stockiest demand. Improvement in arrival noticed at few locations but in

support from meal is high and oil prices influenced too. Stockiest likely to intense in coming days as crushing in progress and much more depend upon arrival situations.

Prices for Refined Cotton Oil during this week

Markets	13.11.06	14.11.06	15.11.06	16.11.06	17.11.06	18.11.06
Mumbai +VAT	445	445	442	445	447	447
Hyderabad +VAT	450	450	455	455	455	445
Rajkot +VAT	440	436	440	442	445	450
Delhi	433	435	440	440	440	440

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

Crude Palm oil Futures on BMD Ends High

Crude palm oil on BMD futures ended high on Friday on the back of bullish sentiments. Market open weak on low sentiments of crude oil prices but bullish sentiments raised the market spirit and turned it up. Some support came from steady soy oil prices and long terms demand kept bulls

high. The most active contract of February crude palm oil at BMD futures ended high MYR9 at MYR1,764 per metric ton. In current scenario high export sales anticipated by traders for the period of Nov 1-20.

CBOT Soy Futures Ends Mixed

Soy futures ended mixed on Friday on Chicago Board of Trade. January soybeans futures settled up 4 cents at \$6.605 and March settled weak 4 cents at \$6.7275 per bushel. December soymeal finished high \$0.4 at \$190.4 per short ton and Dec soybean oil settle down 0.05 points at 28.28 cents per pound. Firm trade in corn supported and weakness in energy and energy markets helped January soybeans to close higher on the day. Temporary news of

Argentina suspending oilseed and grain exports prompted for hike in buying interest for January soybean. China futures market was reported to be in oversold region for quite amount of time that gave additional support for Jan soybeans to open higher. March oils gained a high due to inside trading session. March meal registered a higher close after mid-session after a very low level reported from 1st of this month.

WEEKLY WEATHER WATCH

WEATHER FORECAST FOR NEXT 5 DAY

Model predictions suggest that fairly widespread rainfall activity is likely over south Peninsula during next 3-4 days with isolated heavy falls. Scattered to fairly widespread rainfall activity is to continue subsequently. Night temperatures have been above normal by about 2-5 °C over most parts of northwest India during past week due to the westerly to southwesterly winds associated with western disturbances affecting the region one after another. Model prediction suggests that western disturbance over north Pakistan and adjoining J&K region is likely to move in eastward direction across the hilly region of NW India.

Under its influence scattered precipitation activity is likely to over Western Himalayan Region during next 2-3 days. No significant change is expected in night temperatures during next 2-3 days. Thereafter, temperatures over parts of NW India may fall by about 3 degree C with the passage of present W.D.

HEAVY RAINFALL WARNING

Isolated heavy rainfall is likely over Tamil Nadu & Pondicherry, Kerala, Lakshadweep and south Coastal Andhra Pradesh during next 48 hours. Isolated heavy

snowfall is likely over Jammu & Kashmir during next 48 Hrs.

Zone-Wise Weather Forecast

NORTH & NORTH-WEST INDIA: J&K and H.P. are likely to receive scattered rain/snowfall during next 2-3 days. Punjab and Haryana may experience isolated showers during 17-18 November.

EAST AND NE INDIA: Scattered rainfall is likely over Jharkhand. Scattered rainfall with are expected over coastal Orissa and West Bengal and NE states during next

24 Hrs. Enhanced rainfall is likely towards end of the week over these regions.

CENTRAL INDIA: Mainly dry weather is likely except isolated shower over Chhattisgarh during next 24-36 Hrs.

SOUTH INDIA: Scattered to fairly widespread rainfall is likely over Coastal A.P., Tamilnadu and Kerala with isolated heavy rains.

WEST INDIA: Mainly dry weather conditions are expected over the region. However, Isolated rainfall is expected over Konkan & Goa.

Source: NCMRWF

PORT WATCH

Port updates of edible oils in India (Nov 13-Nov 18 2006)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
Sunflower Oil	9,000	-	9,000
Palm oil	27,988	25,500	53,488
CPO	12,849	14,066	26,915
Total	49,837	39,566	89,403

Source: ANAS

Forex Rates:

(November 18, 2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.01
European Union	Euro	57.72
Japan	100 Yen	38.22
United Kingdom	Pound Sterling	85.23

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