

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales reductions of 100 MT resulted as major increases for Canada (300 MT) were more than offset by decreases for South Korea (500 MT). Exports of 33,800 MT were

mainly for China (20,000 MT), South Korea (9,500 MT), and Mexico (3,800 MT). Source: - FAS, USDA.

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 265,900 MT were four and three-fifths times the previous week. The major buyers were Mexico (78,600 MT), Honduras (42,000 MT, all late reporting), Panama (39,300 MT, including 35,300 MT late reporting), Turkey (32,000 MT), and Guatemala (23,000 MT). Exports of

120,900 MT were 4 percent above the previous week and 6 percent over the prior 4-week average. The primary destinations were Guatemala (33,800 MT), Canada (26,100 MT), Japan (16,100 MT), and Mexico (12,200 MT). Source: - FAS, USDA.

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 768,300 MT were one-fifth above the previous week, but 5 percent under the prior 4-week average. The major buyers were China (230,400 MT, including 60,000 MT switched from unknown destinations), the Netherlands (111,700 MT, including 106,000 MT switched from unknown destinations), Mexico (87,700 MT), Taiwan (79,200 MT), Japan (75,900 MT), Thailand (66,000 MT, including 60,000 MT switched from unknown destinations), and Belgium (60,300 MT, including 60,000 MT switched

from unknown destinations). Decreases were reported for unknown destinations (91,000 MT). Exports of 1,124,400 MT were 8 percent below the previous week, but 14 percent above the prior 4-week average. The primary destination was China (648,100 MT), with smaller quantities to the Netherlands (111,700 MT), Mexico (81,800 MT), Thailand (66,000 MT), and Belgium (60,300 MT). Source: - FAS, USDA.

Edible Oil Import likely to Increase in Next Year

Dry weather conditions during peanut and mustard sowing session resulting in loss of production in groundnut oil and situation may come across in mustard oil. This will be likely to shortage in edible oil on rising country demand and prices expect to go up in futures. In order to avoid inflation

in edible oil prices, Government may likely to import more edible oil and overall purchase may rise to 23% till October 2007 as per news from Bloomberg poll, which is participated by analysts and seven traders.

Edible Oil Import Down during Nov-Oct

Recent data released by Solvent Extractors Association highlighted edible oil import down by 15% during last oil year ended at October 31, 2006. Import of non-edible oil

increased at 3,00,000 ton against 2,00,000 ton last year. The Oil years runs from November to October. Total vegetable oil import down at 5.27 MT against 5.65 MT.

Crude Soy oil Import Expect to Down

A sharp decline in crude soy oil likely to be witnessed on approaching next two or three months increasing landing cost of imported oil against domestic product. Imported soy oil is landed at nearly Rs.440/10 kg against Rs.425/10 kg of

domestic produce. This price gap will curb imported soy oil in the country. The current situation is likely to steady until Centre think over prices hike of existing at \$580 per ton since September 15, 2006.

SGS Export Sale for Period of November 1-10

According to a cargo surveyor SGS (Malaysia) Bhd. export sales for the period of November 1-10, 2006 totaled 4,51,440 metric tons, nearly same 4,51,199 tons during the same period during September whereas, export of RBD

Palm oil and crude palm oil decline by 2.58% and 41.16% respectively. Export figures for RBD Palm Olein and Crude Palm oil increased by 9.35% and 7.43% respectively. As per report, the import of Malaysia's palm oil to China, USA

and India declined by 14.83%, 22.01% and 26.76%

Palm Oil Export Sale Highlight by MPOB

Malaysian Palm oil Board (MPOB) released October month palm oil export sale on Friday highlighted exports it increased to 9.13% in October to 1.4 million metric tons

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respectively during this period.

against September month whereas crude palm oil off take declined by 13.03% to 1.4 million tons.

increased at 3,00,000 ton against 2,00,000 ton last year. The Oil years runs from November to October. Total vegetable oil import down at 5.27 MT against 5.65 MT.

Groundnut Production Decline: COOIT Estimation

The Central Organisation for Oil Industry and Trade (COOIT) estimated oilseed production for 'kharif' 2006-07, which is at 128.4l lakh ton (lt) down approximately 9 lt by last kharif estimated of 137 lt. Acreage for groundnut decline by 9 lakh hectares from last kharif area of 57.47

lakh hectares to 47.46 lakh hectares. In Gujarat, farmers switching to cotton lowers the production of groundnut by 16 lakh ton and dry spell in rest of producing areas resulting in 53 percent less production.

COOIT Estimate Increase in Soybean Cultivation

The Central Organisation for Oil Industry and Trade (COOIT) highlighted oilseed production for 'kharif' 2006-07, which is at 128.4l lakh ton down approximately 9 lt by last

kharif estimated of 137 lt. Area under cultivation of soybean is increased by approximately 3 lakh ton against 78.01 lakh hectares last year.

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 Friday i.e. November 10 for the period of November 1-10, 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 China, USA and India declined with overall 14.83, 22.01 and 26.76% respectively on low demand compared to the last month. EU only registered marginally rise in import of the Malaysian palm oil by 0.21%.

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

(Unit: MT)

Countries/Continents	November 1-10	October 1-10	Change %
European Union	1,12,341	1,12,102	+0.21
China	88,106	1,03,443	-14.83
United States	32,700	41,100	-22.01
India	30,100	41,100	-26.76

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Spot market prices of palm oil remained range bound during the week amidst steady demand. Lack of new fundamental development added the stable condition. Delhi market remained calm on arrested trade activities in protest of sealing. In lack of fundamental news crude palm oil on BMD futures remains fluctuated during the week unable to provide any firm support in the domestic market. During the week, FOB prices remained range bound to \$ 465 added steadiness in the market. According to a cargo surveyor SGS (Malaysia) Bhd. export sales for the period of November 1-10, 2006 totaled 4,51,440 metric tons, nearly same 4,51,199 tons during the same period during September whereas, export of RBD Palm oil and crude

palm oil decline by 2.58% and 41.16% respectively. Export figures for RBD Palm Olein and Crude Palm oil increased by 9.35% and 7.43% respectively. As per report, the import of Malaysia's palm oil to China, USA and India declined by 14.83%, 22.01% and 26.76% respectively during this period. As well as Malaysian Palm oil Board (MPOB), which released October month palm oil export sale on Friday highlighted its exports sales increased to 9.13% in October month to 1.4 million metric tons against September month whereas crude palm oil off take declined by 13.03% to 1.4 million tons during the same period. Import situation and sentiments in other vegetable oil will be vital for palm oil futures in the domestic market.

Weekly prices for CPO

(Rs/ 10 kg)

Center	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Kandla	390	390	390	390	391	393

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Kandla +VAT	410	406	407	406	406	407
Mumbai +VAT	424	424	422	423	422	423
Chennai +VAT	442	442	440	442	440	440
Kakinada +VAT	420	420	415	415	415	415
Hyderabad +VAT	450	450	447	450	450	450
Delhi	455	455	455	455	Closed	455

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
CPO	465	465	462	465	462	462
RBD Palmolein	487	487	485	487	485	485

MC: Market Closed

Refined Soy Oil

Refined soy oil prices improved in most of the locations on rising retail in addition with continuation of stockiests demand to pile up their inventories helped market to see bullishness. However, soy oil on CBOT futures tilted more towards bearish sentiments rather than bullish sentiments provided underlying support in the domestic market during the week. Nearly all the harvest has completed and slow released from producers added additional support. Isolated rainfalls in few major growing areas added weakness in

arrival also pressurizing the market Increase in CIF prices of soy oil lead to costlier landing of imported oil had another bullish impact. CIF rate for refined soy oil for September-January shipment remained in range of \$663-\$665 during the week. Its prices likely to steady to weak in coming days and will much more depend upon arrival status as well as movement in overseas market will provide additional direction to the domestic market.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Mumbai +VAT	419	419	419	420	428	434
Indore +VAT	408	405	404	407	409	420
Kota +VAT	417	415	416	420	NA	424
Jaipur +VAT	421	418	421	424	NA	428
Hyderabad +VAT	420	418	424	425	430	433

Chennai +VAT	452	455	455	456	456	456
Rajkot +VAT	420	418	424	425	430	433

MC: Market Closed

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Mumbai	408	407	408	410	410	415

Rise in CIF Soya during the week

(US \$/ MT)

Center	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Kandla & Mumbai	663	657	660	665	652	651

Rape/Mustard Oil

Spot market prices of mustard oil remained range bound to firm on over a variation in demand in retail market as well as of stockiest demand. The shifting of acreage to chana and wheat resulting reduce in mustard cultivation area (even though sowing conditions are better these days) inducing stockiest to play for good return in futures support

it's selling in the upward trends. Nafed selling pressure is fluctuated through out the week and sold its mustard/rape seed stock in different locations in Rajasthan ranged at Rs. 1700-10 per quintal for old stock and Rs. 1725-30 per quintal for last year stock. Nafed is likely to control its price along with trends in other vegetable oil in near terms.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Mumbai + VAT	440	445	442	440	442	442
Kota +VAT	410	415	419	418	411	412
Jaipur +VAT	418	423	425	424	418	420
Delhi	430	430	430	430	Closed	436
Neewai +VAT	NA	409	408	408	408	412

Groundnut oil

Groundnut oil markets remained bullish in the domestic market in support of good retail demand and upward trends in other vegetable oils. Millers/crusher demand stayed high but arrival was enough to meet demand. Shelled groundnut prices remained steady and revolved around Rs. 390/20kg

in Rajkot manage to support its by-product to stay firm. Good demand of meal from exporters remained firmed during the week. Arrivals are likely to abound in coming days will be helpful to more influx of oil in the domestic market and fall in price is expected.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Mumbai +VAT	540	540	545	550	555	558
Rajkot +VAT	517	512	510	515	520	525
Andhra Region	600	NA	610	620	620	630
Chennai +VAT	565	565	580	580	575	575
Delhi	530	530	530	530	Closed	530

Sunflower Oil

Domestic spot market prices of sunflower refined oil improved on increasing demand as well as rose in 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	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Mumbai +VAT	545	555	550	550	550	552
Chennai +VAT	560	570	570	572	570	570
Hyderabad +VAT	565	NA	565	565	565	565

Prices for CIF Sunflower during the week**(US \$/ MT)**

Center	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Kandla & Mumbai	666	NA	NA	700	706	703

Cotton Refine Oil

Sentiments remained bullish in refined cotton oil prices on increased demand in spot market. Improvement in arrival noticed at few locations. Bad weather situations in southern

peninsula supported trading. Stockiest interest helped market to remains in bullish tone. Arrival pressures likely to more intense in coming days.

Prices for Refined Cotton Oil during this week

Markets	06.11.06	07.11.06	08.11.06	09.11.06	10.11.06	11.11.06
Mumbai +VAT	430	432	429	432	435	436
Hyderabad +VAT	442	NA	437	442	440	450
Rajkot +VAT	435	440	430	433	435	436
Delhi	420	420	420	420	Closed	430

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS**Crude Palm oil Futures on BMD Finish Down**

The most active contract of January settled down at MYR12 at MYR1,675 per metric ton. SGS cargo surveyor released its export sales on Friday highlighted within range export estimation as per earlier expectations. As well some credit

went in account of required technical correction for fall in prices. Malaysian Palm oil Board also released palm oil data for October month, which is largely on line remained clueless in the market.

CBOT Soy Futures Finish Down

Soy futures finished lower on multiple bearish factors. January soybean finished off 7 cents at \$6.625 and March soybean off 6.75 cents at \$6.745 per bushel. December soy meal finished off \$2.8 at \$195.5 per short ton and December soy oil 2 points at 27.69 cents per pound. Some see this as technical correction after posting contract high in January soybean. Fundamentals also were not supportive. Weakness in other grains and hefty stock

report released by USDA were major bearish factors. Sharp decline in crude oil was blamed for bearishness in soy oil. In news, one power plant in New York tested a blend of 5-20% bio-diesel late last month to check efficiency of domestic fuel in producing power. This plant presently is running heating oil. Such slants of power industry could be seen as positive signal in long term.

WEEKLY WEATHER WATCH**WEATHER FORECAST FOR NEXT 5 DAY**

Under the influence of a western disturbance over north Pakistan and neighborhood. Scattered rain/snowfall activity is likely over Jammu & Kashmir and Himachal Pradesh during next two days. The night temperatures are about 1-2 °C above normal over most parts of north & central India. No significant change in night temperatures is expected over these regions during next 1-2 days. Night temperature is likely to fall over northwest India after 2 days. Under the influence of the easterly wave, fairly widespread rainfall are likely over Tamil Nadu & Pondicherry and south Coastal Andhra Pradesh during next 1-2 days. Isolated/scattered rain/thundershowers are also likely over adjoining parts south peninsula during the same period. Models predictions suggest that a feeble low-pressure area may develop in south central Bay of Bengal around November 13.

Zone-Wise Weather Forecast

NORTH & NORTH-WEST INDIA: J&K and H.P. are likely to receive scattered rain/snowfall during next 2 days. Punjab and Haryana may experience isolated showers during 12-13 November.

EAST AND NE INDIA: Scattered rainfall is likely over Jharkhand. Scattered to fairly widespread rains with isolated heavy falls are expected over coastal Orissa and West Bengal and NE states during next 24-48 Hrs.

CENTRAL INDIA: Mainly dry weather is likely except isolated shower is expected over Chhattisgarh during next 2-3 days.

SOUTH INDIA: Fairly wide spread rainfall is likely over Coastal A.P., Tamilnadu and Kerala during next 4-5 days. Isolated to scattered rainfall is expected over rest of region.

WEST INDIA: Isolated rainfall is expected over Konkan & Goa. Mainly dry weather conditions are expected over Gujarat and Rajasthan during next 4-5 days.

Sources: NCMRWF

PORT WATCH**Port updates of edible oils in India (Nov 06,-Nov 11 2006)****(Unit: Metric Tonnes)**

Particulars	Expected	Arrived	Total
SBO	-	-	-
Palm oil	25,500	17,000	42,500

CPO	12,300	31,966	44,266
Total	37,800	48,966	86,766

Source: ANAS

Forex Rates:

(November 11, 2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.45
European Union	Euro	57.44
Japan	100 Yen	37.78
United Kingdom	Pound Sterling	84.92

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