

## MAJOR WEEKLY HIGHLIGHTS

- Domestic News
- USDA Weekly Export Sales Highlights
- Revision of Tariff Value
- Major Importing Countries of Malaysia's Palm Oil
- SGS estimates: Malaysian Palm oil Export Sales Increases 12.6% During Period of January 1-10
- MPOB Release: Malaysia Palm oil Exports Fall by 8%:
- Weekly Weather Report
- Port Wise: Weekly Import of Vegoil

## DOMESTIC & INTERNATIONAL NEWS

### USDA Weekly Export Sales Highlights for Soybean:

Net sales of 589,500 MT were 74 percent above the week earlier, but 22 percent below the prior 4-week average. The major buyers were China (252,000 MT), Mexico (82,200 MT), Malaysia (63,700 MT, including 60,000 MT switched from unknown destinations), Indonesia (60,000 MT), and Israel (59,800 MT, including 25,400 MT switched from unknown destinations). Decreases were reported for

unknown destinations (12,400 MT) and Cuba (5,000 MT). Exports of 558,000 MT were 33 percent below the previous week and 30 percent under the prior 4-week average. The primary destinations were China (239,000 MT), Mexico (101,100 MT), Malaysia (63,700 MT), Japan (54,600 MT), and Israel (33,800 MT). Note: Accumulated exports for Taiwan were adjusted down by 12,500 MT. Source: USDA

### USDA Weekly Export Sales Highlights for Soy meal

Net sales of 101,500 MT were 41 percent above the previous week, but 19 percent below the prior 4-week average. The major buyers were Russia (40,000 MT), Panama (23,900 MT), Guatemala (15,000 MT), Mexico (13,500 MT), and Colombia (9,900 MT). Decreases were reported for Jamaica (4,700 MT) and unknown destinations

(4,600 MT). Exports of 138,900 MT were 3 percent below the previous week, but 11 percent above the prior 4-week average. The primary destinations were Mexico (51,900 MT), Canada (20,200 MT), Turkey (17,600 MT), the Dominican Republic (8,900 MT) and Israel (8,300 MT). Source: USDA

### USDA Weekly Export Sales Highlights for Soy Oil

Net sales decreases of 1,300 MT resulted as increases for Morocco (9,500 MT, switched from unknown destinations) and Mexico (2,500 MT) were more than offset by decreases for unknown destinations (9,500 MT) and Colombia (5,000

MT). Exports of 12,700 MT were primarily for China (11,700 MT), Mexico (500 MT), and Canada (300 MT). Source: USDA

### Oilseed Supply And Demand: WASDE Report

U.S. oilseed production for 2006/07 is estimated at 96.9 million tons, down 0.2 million tons from last month but up 1.4 million tons from last year. Lower soybean production is mostly offset by increases for sunflowerseed, canola, cottonseed, and peanuts. Soybean production is estimated at 3,188 million bushels, down 16 million bushels from last month based on lower yields. The soybean yield is estimated at 42.7 bushels per acre, below last year's record of 43.0 bushels per acre. Soybean exports are reduced 25 million bushels to 1,120 million bushels reflecting weaker-than-expected shipments in November and December. Soybean crush is unchanged. However, soybean oil and meal exports are both raised this month, with offsetting reductions in domestic consumption. Soybean stocks are projected at a record 575 million bushels, up 10 million bushels from last month. The U.S. season-average soybean price range for 2006/07 is narrowed to \$5.75 to \$6.45 per bushel. Soybean oil prices are forecast at 26.5 to 28.5 cents per pound compared with 26 to 29 cents last month. Soybean meal prices are

projected at \$170 to \$185 per short ton compared with \$165 to \$190 last month. Global oilseed production for 2006/07 is projected at a record 395.4 million tons, down 0.1 million tons. Foreign production is projected at 298.6 million tons, up 0.1 million tons. Global soybean production is projected at 226.9 million tons, up 0.1 million from last month. Argentina's soybean crop is increased 0.5 million tons this month to a record 42.5 million tons. Good weather during the early part of the growing season has improved yield prospects. Foreign production of rapeseed, sunflowerseed, and cottonseed are all reduced this month. India's rapeseed crop is projected at 6.2 million tons, down 0.3 million tons based on reduced harvested area reflecting Government of India data on planting progress. Other oilseed production changes include increased rapeseed production for EU-25, reduced sunflowerseed production for Russia, and lower cottonseed production for Syria and Turkey. Higher cottonseed production in Brazil and China partly offsets these reductions. Source:WASDE

### Malaysian Palm oil Exports Increases: SGS Estimation

SGS cargo surveyor released Malaysian palm oil exports sales upsurge 12.6% to 332,368 metric tonne during January 1-10 against 295,168 metric tonne corresponding period last month released on January 10. Palm oil exports

### Malaysia Palm oil Exports Fall by 8%: MPOB Release

Malaysian palm oil exports declined by 8% during December month to 1,205,654 metric tons against 1,144,079 metric tons corresponding period last month highlighted by Malaysia Palm oil Board (MPOB) on

### Rabi Oilseeds Area Decline: PIB Release

Area under Rabi oilseeds (93.75 lakh ha), however, is less so far, as compared to last year (104.02 lakh ha) but it is higher than the five year average of area under Rabi oilseeds (83.71 lakh ha). The less coverage this season is

### North Indian Cotton Output Estimates to 4.627 Mil Bales

According to the source, Northern India Cotton Association has released its seventh production estimates on cotton crop for the 2006/07 season for the Northern Zone. The cotton crop is placed at 4.627 million 170-kilogram bales,

to India rose by 414.28% to 18,000 metric tonne during January 1-10 against 3,500 metric tonne during same period under review.

Wednesday. Stock declined to 10.1% to 1,506,035 metric tons in December month against 1,674,732 metric tons in November month.

attributed to diversion of area of rapeseed and mustard to Bengal gram in Madhya Pradesh and to wheat in Haryana, Rajasthan and Uttar Pradesh. Source:PIB

which only represents a 4,000-bale decline from the previous estimate. Production still exceeds last season's 3,972,348 170-kilogram bales of production.

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 Tuesday for the period of January 1-10, 2007. 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 and India increased by 108.15%, and 414.29% respectively on improved demand compared to the corresponding period, while EU and USA registered declined by 18.44 and 31.36%.

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

(Unit: MT)

Countries/Continents	January 1-10	December 1-10	Change %
European Union	56,620	69,420	-18.44
China	124,400	59,765	+108.15
United States	37,900	55,212	-3136
India	18,000	3,500	+414.29

Source: SGS (Malaysia) Bhd.

## DOMESTIC MARKET ANALYSIS

### Palm Oil

Spot prices of palm oil remained weak during the week started from January 08 amidst sharp declined crude palm oil CIF prices and FOB, increase import of crude palm oil to country by 414.29% from Malaysia and poor demand. CIF prices remain in range of \$ 570-590/ton for February

shipment. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates on for the period of January 1-10, 2007 totaled 332,368 metric tonnes, gained 12.6% against 295,168 metric tonnes during corresponding period last month. Export of palm group oil i.e. RBD Palm Olein, RBD

Palm stearin and crude palm oil increased by 18.5%, 60.23%, and 34.72% respectively, while RBD palm oil exports sales declined by 9.56% during period under review. Import of Malaysia's palm oil to China and India increased by 108.15% and 414.29% respectively while to EU and USA declined by 18.44% and 31.36% respectively. There is underlying bullish impact at BMD on reports of

flood conditions again in Johor (second major producing state in Malaysia), would mirrors same sentiments in domestic market.

#### Weekly Crude Soy Oil CIF prices of CPO

(Rs/ 10 kg)

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Kandla& Mumbai	590	580	575	570	575	NA

#### Weekly prices for CPO

(Rs/ 10 kg)

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Kandla	416	415	415	412	412	NA

#### Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Kandla +VAT	438	436	435	432	432	434
Mumbai +VAT	457	455	450	452	452	453
Chennai +VAT	462	460	455	455	455	458
Kakinada +VAT	450	445	445	440	440	445
Hyderabad +VAT	472	470	470	465	465	465
Delhi	465	465	460	460	465	465

MC: Market Closed

#### Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
CPO	547	545	537	540	540	NA
RBD Palmolein	577	575	565	565	572	NA

MC: Market Closed

#### Refined Soy Oil

Refined soy oil spot market prices remained weak during the week amidst low demand, improved beans arrivals, steady crushing and sharp declined crude oil prices. Prior to Rabi crop arrivals and fall short of expectations of abrupt movement, stockists remain active throughout the week under review had bearish impact coupled with fell CBOT

soy oil and BMD crude palm oil futures. Sharp declined crude soy oil CIF prices and soy Degum confirmed bears in the market. CIF prices declined by \$26 and remained in range of \$679-\$705 for February shipment during the week. Veg oil traders are keeping a close watch on latest developments domestically and overseas.

#### Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Mumbai +VAT	457	452	452	452	452	452
Indore +VAT	435	436	434	435	434	439
Kota +VAT	444	442	442	440	438	438
Jaipur +VAT	447	445	445	445	443	443
Hyderabad +VAT	460	460	460	460	460	465
Chennai +VAT	490	490	488	487	487	490
Rajkot +VAT	460	460	460	455	455	455

MC: Market Closed

#### Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Mumbai	450	NA	445	435	435	435

**Rise in Crude Soy oil CIF during the week****(US \$/ MT)**

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Kandla & Mumbai	705	696	691	679	686	700

**Rape/Mustard Oil**

Mustard oil experienced the lowest prices in tail of the week started from January 08 on poor demand and Nafed aggressive mood to reach 10 lakh tonnes latest by January end. However, buying increased from millers/crushers as crushing margin dearer cushioned spill over effect in the market. Nafed till the weekend had stock position of 12 lakh

tonne. During the week, Nafed sold mustard seeds prices in range of Rs. 1690-1710/1735-1745 per quintal for the stocks during 2005/06. On prevailing Nafed aggressive mood to liquidates likely to have bearish reflection on mustard oil prices in near term.

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

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Mumbai + VAT	454	450	452	450	450	450
Kota +VAT	420	419	418	418	416	418
Jaipur +VAT	422	424	424	422	420	422
Delhi	445	450	450	448	448	450
Neewai +VAT	418	420	417	414	413	413

**Groundnut oil**

Spot market prices of refined groundnut (gn) oil remained steady during the week started from January 8 amidst sluggish demand and steady crushing. However, depleting seeds stocks and restricted supply from stockists had underlying bullish impact. In Mumbai gn oil prices improved

on slightly shortage. In Rajkot market, shelled groundnut remained in range of Rs. 432-434 per 20kg (bag) with seeds arrivals of 50-70,000 bags during the period under review. Groundnut oil prices likely to remains bullish on depleting gn seeds stocks from and assembly polls ahead.

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

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Mumbai +VAT	585	585	585	590	590	590
Rajkot +VAT	575	576	573	575	575	580
Andhra Region	660	660	660	660	650	665
Chennai +VAT	600	600	600	600	600	600
Delhi	580	580	580	580	585	585

**Sunflower Oil**

Spot prices of refined sunflower oil remained mixed due to indecisive mood of the market. Demand remained sluggish with increased seeds arrivals. Sunflower oil CIF prices stood volatile and ended in bearish tone and declined by

\$6 during the week. Movements in global markets and seeds arrivals likely to determines oil prices in coming days.

**Prices for Refined Sunflower Oil during this week****(Rs/10Kg)**

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Mumbai +VAT	540	542	545	545	545	545
Chennai +VAT	575	575	570	570	570	570
Hyderabad +VAT	550	550	550	540	540	550

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

Center	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Kandla & Mumbai	696	697	687	690	690	NA

**Cotton Refine Oil**

Cotton oil is the cheapest amongst other edible oil across the nation these days and declined slightly on spill over effect of others vegetable oil and overseas market. Seeds

arrivals increased during the week. Movement in others vegetable oils and seeds arrivals status would provides clear picture in coming days.

### Prices for Refined Cotton Oil during this week

Markets	08.01.07	09.01.07	10.01.07	11.01.07	12.01.07	13.01.07
Mumbai +VAT	450	446	448	448	450	450
Hyderabad +VAT	450	445	445	440	440	440
Rajkot +VAT	438	438	438	430	434	435
Delhi	430	435	430	428	428	428

## INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

### Crude Palm oil Futures Finish Weak at BMD

The most active March contract of crude palm oil ended MYR11 down at MYT1,889 per ton at Bursa Malaysian Derivatives on Friday amidst short-covering, reports of recurring flood conditions in Johor (second major palm oil producing state in Malaysia) and declined crude oil price

made biodiesel less competitive ignored bullish sentiments of overnight CBOT. However, market gains some momentum in early session, then die soon on lack of strong fundement news.

### CBOT Soy Futures Finish Up

Soy settled up at Chicago Board of Trade. March Soybeans finished 9.5 cents up at \$6.7425 per bushel. May Soybeans close 9.5 cents up at \$ 6.8875 per bushel. March Soymeal closed \$2.7 up at \$194.4 per short ton. March Soybean oil ended 0.32 up at 28.36 cents per pound. Soy futures finished up at Chicago Board of Trades on Thursday amidst idea to avoid cultivation land to corn combined with winter season ahead in US on would increase meal usage had bullish impact. As well as fresh China purchase of 180,000

tonne US soybeans and Argentina's news to increase export taxes on soy related products strengthens soy futures. Inspection over weekly exports sales of soybeans stood high at 589,500 metric tonnes against trade expectations between 350,000-550,000 metric tonnes. Meals sales also slight higher at 101,500 metric tonnes against between 50,000-100,000 metric tonnes and Soy oil sales remained bearish at 1,300 metric tonnes against trade expected between 5,000-15,000 metric tonnes.

## WEEKLY WEATHER WATCH

### WEATHER FORECAST FOR NEXT 5 DAY

Cold wave conditions are prevailing over some parts of north Rajasthan, Punjab, Haryana, East Uttar Pradesh, adjoining north Madhya Pradesh and isolated pockets of Bihar and likely to abate during next 2-3 days. The ground frost conditions are prevailing over some parts of Punjab, Haryana, Delhi and north Rajasthan. Currently a western disturbance is lying over NW India. Numerical model predictions suggest the likely movement of WD in NE direction during next 24-36 hours. Subsequently prevalence of northwesterly winds and their strengthening over Indo-Gangetic plains is likely during next 48 hours. Consequently the cold wave conditions over the plains of northwest India are likely to continue. Prevailing ground frost conditions over plains of northwest India are also likely to continue during next 2 days. Model predictions suggest that a fresh western disturbance is likely to affect western Himalayan region during 18-19 Jan 2007.

### ZONE-WISE WEATHER FORECAST

**NORTH & NORTH-WEST INDIA:** Isolated snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Mainly dry weather is likely over the rest region.

**EAST AND NE INDIA:** Isolated rain/thundershower is likely over Arunachal Pradesh and Assam & Meghalaya. Mainly dry weather is likely over the rest region. Night temperature is likely to fall over West Bengal and Jharkhand during next 2 days.

**CENTRAL INDIA:** Mainly dry weather is likely over the region during next 5 days. Night temperature is likely to fall over Madhya Pradesh and Chhattisgarh.

**SOUTH INDIA:** Isolated shower is likely over Andman Nicobar and Lakshdweep during next 24 Hrs. Mainly dry weather conditions are expected over the rest of the region.

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

## PORT WATCH

### Port updates of edible oils in India (Jan. 08-Jan.13 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CDSBO	13,000	-	13,000
SBO	26,970	-	26,970
Palm oil	47,520	38,020	85,540
CPO	5,000	4,400	9,400
CFA	2,000	-	2,000
<b>Total</b>	<b>94,490</b>	<b>84,400</b>	<b>1,45,410</b>

Source: ANAS

**Forex Rates:****(January 13, 2007)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.28
European Union	Euro	57.30
Japan	100 Yen	36.80
United Kingdom	Pound Sterling	86.66

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