

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 380,700 MT were 53 percent below the week earlier and the prior 4-week average. Increases for China (252,100 MT, including 173,000 MT switched from unknown destinations), the Netherlands (203,100 MT, including 180,000 MT switched from unknown destinations), Germany (121,300 MT, including 120,000 MT switched from unknown destinations), and Japan (113,100 MT), were partially offset by decreases for unknown

destinations (461,000 MT). Exports of 1,203,900 MT were 34 percent above the previous week and 41 percent over the prior 4-week average. The primary destinations were China (640,800 MT, including 106,200 MT late reporting), the Netherlands (203,100 MT, including 65,400 MT late reporting), Germany (121,300 MT, all late reporting), Japan (71,700 MT), Thailand (66,200 MT), and Taiwan (51,500 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 170,300 MT were 26 percent above the previous week and 24 percent over the prior 4-week average. Increases were reported for Mexico (75,800 MT), Japan (22,900 MT), Canada (18,600 MT), and unknown destinations (9,000 MT). Exports of 139,600 MT were 16

percent above the previous week and 8 percent over the prior 4-week average. The primary destinations were Canada (27,100 MT), Ecuador (23,500 MT), Mexico (22,400 MT), Morocco (19,000 MT), and Israel (10,300 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 2,300 MT were primarily for Canada (1,500 MT), Hong Kong (200 MT), Qatar (200 MT), and Trinidad (200 MT). Exports of 11,700 MT were mainly to Hong Kong

(8,400 MT), Canada (1,300 MT), and Mexico (900 MT). Source: USDA

Malaysian Palm Oil Exports Increase by 15%: SGS

SGS has released Malaysian palm oil exports sales estimation for February 1-10 on Monday; highlighted exports rose by 15% at 382,170 metric tons against 332,368 metric tons during corresponding period last month

while exports to India stood at 18,000 metric tons during February 1-10 as compare to nil export during corresponding period a month ago.

Palm oil Export Down: MPOB

Malaysian palm oil Board (MPOB) released palm oil exports for January month highlighted palm oil exports dropped by 21.8% at 952,253 metric tons against 1,217,341 metric tons in December month. Palm oil production in January month decreased by 2.5% to

1,115,340 metric tons as compared to 1,144,378 metric tons in December month while stock by the end of January month fell by 2.1% at 1,474,273 metric tons against 1,506,586 metric tons last month.

Edible oil Imports Increase by Nearly 20%

In first three months (November to January) in current oil year started from Nov 06-Oct 07, edible oil import increased

by around 20% at 932,214 metric tons against 776,894 metric tons corresponding period a year ago. Crude palm

oil imports increased by 77.63% at 700,265 metric tons as compared to 394,234 metric tons during same period last year while crude soy oil import declined by 45.74% at 144,990 metric tons against 267,208 metric tons during

Malaysian Palm Oil Exports Increase by 8.6%: SGS

SGS has released Malaysian palm oil exports sales estimation for February 1-15 on Thursday, highlighted exports rose by 8.6% at 512,632 metric tons against 472,181 metric tons during corresponding period last month

Base Import Prices Keep Unchanged

Government is not in favor to change import oil duty considering interest of consumers and producers and kept base import prices of palm oil and crude soy oil unchanged

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	-

Major Importers of Malaysia's Palm Oil

Estimates of exports sale figure issued by Cargo Surveyor SGS for the period of February 1-15, 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

period under consideration thanks to cheaper availability in the domestic markets amidst increased soybeans crushing between November and January months.

while to India, palm oil exports stood nil during February 1-15 as compared to 18,000 metric tonne during corresponding period a month ago.

on Thursday and continued at \$447/ ton for crude palm oil and \$580 per metric ton for crude soy oil and for RBD palm oil base prices remained at \$476/ton.

RBD Palmolein	484	484	-
Others - Palmolein	483	483	-
Crude Soybean Oil	580	580	-

Source: CBEC, Dept of Revenue, GOI.

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

(Unit: MT)

Countries/Continents	February 1-15	January 1-15	Change %
European Union	142,189	78,650	+80.79
China	155,458	173,270	-10.28
United States	74,638	37,900	+96.93
India	0	18,000	-100.00

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Despite bullish BMD crude palm oil futures and mixed sentiments at CBOT, spot prices of palm oil stood in bearish tone across domestic markets due to poor demand and declined FOB prices of crude palm oil and RBD palmolein, which stood in range of \$537-550/tonne and \$572-582/tonne respectively during the week. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates on for the period of February 1-15, 2007 totaled

at 512,632 metric tons, rose by 8.6% against 472,181 metric tons for same period last month. Exports of palm group oil i.e. RBD Palm oil, RBD Palm Stearin and crude palm oil increased by 2.39%, 20.24% and 9.22% respectively, while RBD Palmolein exports sales declined by 5.09% during period under consideration. Imports of Malaysia's palm oil to EU and USA increased by 80.79% and 96.93% while to China declined by 10.28% and

towards India remained nil. The recent heavy rainfall in Indonesia and bullish anticipation for exports sales for palm

oil at BMD likely to have similar reflection domestically in coming days.

Weekly Crude Palm Oil CIF prices of CPO

(Rs/ 10 kg)

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Kandla& Mumbai	NA	NA	590	590	595	NA

Weekly prices for CPO

(Rs/ 10 kg)

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Kandla	430	NA	428	430	431	NA

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Kandla +VAT	415	414	414	414	414	414
Mumbai +VAT	438	432	435	432	NA	432
Chennai +VAT	438	438	435	435	437	437
Kakinada +VAT	422	416	420	426	MC	MC
Hyderabad +VAT	443	440	438	438	MC	MC
Delhi	455	450	450	450	MC	450

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
CPO	545	537	542	542	550	550
RBD Palmolein	575	572	577	580	582	585

MC: Market Closed

Refined Soy Oil

Spot prices of refined soy oil traded steady to weak across domestic market during the week started from February 12. Government kept unchanged base import prices of edible oils. Poor demand and cheap availability of cotton oil depress depressed soy oil prices in Rajkot and Mumbai market. Good rainfall during the week in Rajasthan and Madhya Pradesh coupled with delay harvest of mustard

seeds had spill over impact on soy oil in these markets. Solvent units were maintained their routine procurement of soybeans. The CIF prices of crude soy oil declined and remained in range of \$663- \$669 per tonne for March shipment during the week The low crushing margin for soy oil on improving soybeans prices likely to depressed soy oil prices in near-terms.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Mumbai +VAT	443	432	435	433	433	433
Indore +VAT	419	416	416	419	422	421
Kota +VAT	426	NA	425	427	428	NA
Jaipur +VAT	430	NA	428	430	431	NA
Hyderabad +VAT	448	448	450	450	MC	MC
Chennai +VAT	480	478	475	475	473	473
Rajkot +VAT	450	440	440	434	434	434

MC: Market Closed

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

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Mumbai	432	427	427	427	427	427

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

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Kandla & Mumbai	667	663	663	666	669	672

Rape/Mustard Oil

In Mumbai poor demand exposed same prices of mustard oil as on November 2nd. In Rajasthan region its prices improved on declined new mustard arrivals amidst recent good rainfall and hailstorm. Some shortage of mustard oil in Delhi market had bullish impact. Crushers and expellers maintained their regular offtake. Fresh demand was reported from Northeast part of the country on abrupt drop

in temperature. Nafed stopped mustard seeds selling with carry forward stock of 8.3 lakh ton. Nafed's last sell was stood in range of Rs. 1700/1750 per 100 kg. Mustard oil prices likely to trade steady to bearish ahead on pressure from new mustard seeds in parts in Rajasthan and fresh buying by Nafed.

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

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Mumbai + VAT	435	430	430	430	430	433
Kota +VAT	407	409	409	411	NA	410
Jaipur +VAT	410	414	414	416	415	416
Delhi	440	442	445	445	MC	452
Neewai +VAT	408	410	411	NA	416	412

Groundnut oil

Spot market prices of groundnut oil remain mixed across domestic market amidst steady to weak sentiments for demand and crushing. Depleting quality seeds stocks with improved demand from resellers had bullish impact in Rajkot market. In Mumbai gnut oil price improved on slightly shortage. In Rajkot market, shelled groundnut remained in

range of Rs. 467-475 per 20kg (bag) with seeds arrivals of 15-25,000 bags during the period under review. Groundnut oil prices likely to trade bullish on depleting quality seeds stocks and pressure from refined cotton oil and others cheap oil.

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

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Mumbai +VAT	605	605	605	610	605	605
Rajkot +VAT	620	625	625	625	635	635
Andhra Region	670	670	670	670	MC	MC
Chennai +VAT	640	630	NA	650	660	660
Delhi	660	650	650	650	MC	650

Sunflower Oil

Refined sunflower oil prices traded in bearish tone during the week on sluggish domestic demand and improved seeds arrivals. During end of week CIF prices of sunflower oil declined by \$4 and remained in range of \$680/tonne to

\$685/tonne for March shipment during the week. In coming days sunflower oil prices likely to trade on steady to bearish side on lack of fresh fundamental news and sunflower seeds arrivals pressure.

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

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Mumbai +VAT	565	560	550	550	552	552
Chennai +VAT	580	580	575	572	572	575
Hyderabad +VAT	570	570	570	570	MC	MC

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

Center	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Kandla & Mumbai	685	682	680	680	680	681

Refined Cotton Oil

Refined cotton oil traded on higher side on improved demand and spill over impact of groundnut oil. However arrivals declined to last week figures. Weakness in other vegetable oil limited the gains in the market. Farmers

retained hefty stocks of cottonseeds to get better premium in off-season. Movement in others vegetable oils (mainly groundnut) and seeds arrivals status would determine its prices in coming days.

Prices for Refined Cotton Oil during this week

Markets	12.02.07	13.02.07	14.02.07	15.02.07	16.02.07	17.02.07
Mumbai +VAT	437	433	435	438	435	438
Hyderabad +VAT	435	435	440	440	MC	MC
Rajkot +VAT	424	425	426	426	427	427
Delhi	425	427	426	426	MC	427

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS**Crude Palm oil Futures Ends Up at BMD**

Overnight firmed CBOT coupled with cheer for upcoming holidays had bullish advice across the board and crude palm oil futures finished high at Bursa Malaysian Derivatives on Friday and most active April contract settled

MYR18 high at MYR1,941/tonne. Market still optimist for good export for remaining part of current month had underlying bullish impact.

CBOT Soy Futures Settle High

Soy futures finished up at Chicago Board of Trades on Friday. May Soybeans close 7.75 cents up at \$287.4905/tonne. July Soybeans settled 6.75 cents high at \$292.1749/tonne. May Soybean meal close \$2.2 up at \$256.0643/tonne. May Soybean oil ended 0.12 up at 30.37 cents/pound. Aggressive buying for soybeans on ideas of dry weather in coming summer forced soybeans and meals futures to new contact high. Improved crude oil futures coupled with firm overnight crude palm oil futures at BMD

supported gains for soy oil. USDA weekly exports sales highlighted poor exports for soybeans stood that stood at 380,700 metric tons against trade expectations between 450,000-650,000 metric tons. Meals exports increased at 170,900 metric tons against trade expectations between 100,000-150,000 metric tons and soy oil sales remained at 2,300 metric tons against trade expectations of 5,000-10,000 metric tons.

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

Model predictions suggest that a fresh western disturbance is likely to affect western Himalayn region during 18-19 February. Under its influence scattered snowfall/rainfalls are likely over J&K, H.P. and Uttranachal during 18-19 February. Model predictions also suggest that the night

temperatures are likely to rise by about 2-3° C during next 2-3 days over NW India. From 20th, slight fall in night temperature is likely over Indo-Gangetic plains. Lowest night temperature in the plains of the country was 6.0 °C recorded at Adampur in Punjab.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Scattered snowfall/rain is likely over J&K, H.P. and Uttranchal during 18-19 February. Isolated light rain/thundershowers also likely over Punjab and Haryana during 18-19 Feb.

EAST AND NE INDIA: Isolated rainfall/thundershower over Sub-Himalayan West Bengal, Orissa and NE States during next 48 Hrs.

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

SOUTH INDIA: Isolated shower is likely over coastal areas of A.P. and Tamilnadu during next 48 Hrs.

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

PORT WATCH

Port updates of edible oils in India (Feb. 12-Feb 17 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
Crude Palm oil	10,256	30,506	40,762
Palm oil	10,000	-	10,000
Soy oil	14,500	14,500	29,000
Total	34,756	45,006	79,762

Source: ANAS

Forex Rates:

(February 17, 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.03
European Union	Euro	57.84
Japan	100 Yen	36.87
United Kingdom	Pound Sterling	85.86

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