

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 677,700 MT were 10 percent above the week earlier and 3 percent over the prior 4-week average. Increases were reported for China (177,200 MT), Mexico (135,900 MT), Japan (74,500 MT), unknown destinations (67,000 MT), Egypt (63,300 MT), and Portugal (59,300 MT), including 60,000 MT switched from unknown destinations,

and decreases of 700 MT. Exports of 1,024,000 MT were 63 percent above the previous week and 42 percent over the prior 4-week average. The primary destinations were China (469,200 MT), Mexico (118,200 MT), Spain (66,000 MT), Egypt (63,300 MT), Portugal (59,300 MT), and Taiwan (56,800 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 160,500 MT were four and two-thirds times the previous week and 50 percent over the prior 4-week average. Increases were reported for Canada (52,600 MT), unknown destinations (24,000 MT), Mexico (17,000 MT), the Philippines (17,000 MT), and Peru (13,000 MT). Decreases of 4,200 MT were reported for Guatemala.

Exports of 114,500 MT were 7 percent below the previous week and 19 percent under the prior 4-week average. The primary destinations were Mexico (31,900 MT), Canada (29,900 MT), and the Dominican Republic (18,100 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 37,300 MT were primarily for China (26,000 MT) and Mexico (5,800 MT). Exports of 4,800 MT were

mainly to Jamaica (3,000 MT), Mexico (900 MT), and Canada (500 MT). Source: USDA

Palm Oil Exports Fall by 19.1% for January Month: SGS Release

SGS has released Malaysian palm oil exports sales estimation for January month on Monday; highlighted exports fell by 19.1% at 957,228 metric tons against

1,183,780 metric tons in December month while exports to India drop by 53.56% at 38,500 metric tons against 82,900 metric tons during corresponding period under review.

India: Acreage of Bt Cotton Increases by 39%

The acreage under Bt cotton in India has gone up from 6.2% in 2004-05 to 39% in 2006-07. According to sources, the area has recorded at 35.61 lakh hectares under Bt

cotton out of the total cotton area of 91.32-lakh hectares. The overall cotton production has also augmented from 19.2 million bales in 2005-06 to 21 million bales in 2006-07.

NCC: US Cotton Plantings at 13.21 Mln Acres in 2007

According to the National Cotton Council (NCC), U.S. producers are likely to plant 13.21 million acres of cotton in 2007. They reported that 2007 upland cotton acres are estimated at 12.8 million acres and extra long staple cotton acreage is seen at 361,000. It envisages that a total cotton

acreage decrease of 13.6% from 2006, with a 14.1% drop in upland acres but a 10.9% increase in extra long staple cotton. Applying state-level yield assumptions to projected harvested acres produces an estimated crop size of 20.66 million bales, down from the 21.73 million bales produced

in 2006. Assuming average seed-to-lint ratios, 2007 cottonseed production is projected at 7.21 million tons, down from 7.66 million last year. Area seeded to cotton in the Southeast is seen dropping 22.1% to 2.615 million acres, according to the survey, while Mid-South cotton area is seen falling 19.6% to 3.395 million. In the Southwest, cotton area is expected to drop 6.6% to 6.377 million acres,

with Oklahoma leading the way with a 13.9% reduction in area. In the West, overall cotton acres are indicated to drop 15.4%, to just 461,000. The U.S. Department of Agriculture estimated 2006-07 cotton acreage at 15.27 million, with a harvested area of 12.73 million in its Jan. 12 report. The USDA will release 2007 acreage estimates in its prospective plantings report on March 30.

India: Cotton Arrivals Increase to 1.21 Mln Bales

According to sources, the arrivals of new cotton crop in India have reached to 1,210,000 170-kilogram bales during week ending January 27. They reported that arrivals increased to 500,000 170-kilogram bales in Gujarat, which

was up from 150,000 bales the previous week. Arrivals in Andhra Pradesh surged to 300,000 bales. Season-to-date arrivals have stood

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 for the period of January month, 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 increased by 6.12%, on marginally improved demand compared to the corresponding period under review while EU, USA and India registered declined by 20.39%, 59.19% and 53.56% respectively.

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

Countries/Continents	January	December	(Unit: MT) Change %
European Union	223,207	280,390	-20.39
China	316,075	297,846	+6.12
United States	55,294	135,486	-59.19
India	38,500	82,900	-53.56

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Palm oil price traded in bearish tone in the domestic market on follow-through weak sentiments for demand and sluggish BMD crude palm oil futures despite improved crude soy oil CIF and FOB prices during weekend. Crude soy oil CIF prices remained in range of \$575-580/tonne for February shipment during the week while FOB prices stood in range of \$535-542/tonne. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates on for the period of January month, 2007 totaled at 957,228 metric tons, down by 19.1% against 1,183,780 metric tons for last month.

Export of palm group oil i.e. RBD Palm Olein, RBD Palm oil and crude palm oil declined by 4.69%, 4.72% and 37.53% respectively, while RBD Palm stearin exports sales increased by merely 1.91% during period under consideration. Import of Malaysia's palm oil to China increased by 6.12% while to EU, USA and India declined by 20.39%, 59.19% and 53.56% respectively. Underlying bearishness in Malaysia palm oil and forecast for low day and night temperature likely to had reflect similar sentiments in the domestic market in near-terms.

Weekly Crude Palm Oil CIF prices of CPO**(Rs/ 10 kg)**

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Kandla& Mumbai	580	575	575	580	580	595

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Kandla	395	396	396	397	402	395

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Kandla +VAT	420	420	420	418	418	418
Mumbai +VAT	440	440	440	440	444	444
Chennai +VAT	437	435	435	435	437	440
Kakinada +VAT	430	MC	423	422	423	NA
Hyderabad +VAT	450	MC	450	448	450	NA
Delhi	455	450	450	450	450	450

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
CPO	540	535	537	540	542	542
RBD Palmolein	567	565	565	567	572	575

MC: Market Closed**Refined Soy Oil**

Spot market prices of refined soy oil remains weak during the week started from January 29 amidst poor demand domestically. In Rajkot, poor attention for soy oil against other edible oil (groundnut oil and cotton oil) triggered weakness. Steady to firm sentiments for soymeal had underlying bearish impact on ideas of increased crushing would add more oil in the market. Sluggish CBOT and

BMD, weakness in crude soy oil CIF prices coupled with reports of bird flu in Russia and outbreak in Japan strengthens bearishness. Crude soy oil CIF price stood in range of \$672-\$680 per tonne for February shipment during week. Steady to bullish sentiments for soymeal and poor crushing margin for soy oil likely to have bearish impact on soy oil market in coming days.

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Mumbai +VAT	446	445	445	445	443	443
Indore +VAT	428	426	427	427	425	430
Kota +VAT	435	430	433	433	434	436
Jaipur +VAT	438	433	436	436	437	439
Hyderabad +VAT	455	MC	450	452	450	NA
Chennai +VAT	475	473	473	470	477	473
Rajkot +VAT	455	453	450	451	452	453

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Mumbai	435	432	432	432	432	435

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Kandla & Mumbai	677	672	680	674	674	685

Rape/Mustard Oil

Mustard oil prices remained weak during the week started from January 29 due to weakness in other vegetable oils and sluggish demand domestically. Crushers/millers kept steady their offtake on steady meal demand. Nafed revised down mustard seeds prices in range of Rs. 1675-1695/1725-1745 per 100 kg during the period under review

with stock position of 8.5 to 9 lakh tons. Nafed released around 1 lakh ton mustard seeds during the last 10 days had underlying bearish impact. Mustard oil prices likely to trade range bound in coming days on prevailing aggressive mood of Nafed.

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Mumbai + VAT	452	450	450	450	450	450
Kota +VAT	410	405	410	410	411	414
Jaipur +VAT	413	418	413	413	414	417
Delhi	442	438	440	440	440	440
Neewai +VAT	409	409	410	411	411	414

Groundnut oil

Despite weakness in other vegetable oils, refined groundnut oil improved across domestic market on good demand. Stockists were remains active to piled up their inventories in anticipation for better premium in off-season. Limited released from solvent extractors end had bullish advice. Depleting quality seeds stocks for crushing aids

bullishness. In Rajkot market, shelled groundnut sold in range of Rs. 430-475 per 20 kg (bag) with arrivals in range of 15,000-30,000 bags while oil prices stood at Rs. 610-630 per 10 kg during the week. Groundnut oil prices likely to remains bullish on declining seeds stocks and steady crushing.

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Mumbai +VAT	610	612	615	630	630	640
Rajkot +VAT	610	615	625	630	630	630
Andhra Region	670	MC	670	675	675	NA
Chennai +VAT	635	630	635	635	635	640
Delhi	610	640	640	650	645	645

Sunflower Oil

Despite government reduction of import duty on sunflower oil to 65% from earlier 75%, spot prices of refined sunflower oil prices remained steady. Seeds arrivals improved. To the weekend, sunflower oil CIF prices declined during the week

by \$14 also had bullish impact. Traders are expecting reduction in duty would have bearish impact on sunflower oil in coming days.

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Mumbai +VAT	575	570	570	568	568	570
Chennai +VAT	590	590	585	585	585	590
Hyderabad +VAT	580	MC	585	575	580	NA

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

Center	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Kandla & Mumbai	674	679	686	678	678	678

Cotton Refine Oil

Good demand had strong bullish impact on cotton oil. Seeds arrivals declined with good demand supported bullishness. Still farmers seem to less interest in selling, as

prices are not lucrative. Movement in others vegetable oils and seeds arrivals status would determine its prices in coming days.

Prices for Refined Cotton Oil during this week

Markets	29.01.07	30.01.07	31.01.07	01.02.07	02.02.07	03.02.07
Mumbai +VAT	443	440	444	446	445	445
Hyderabad +VAT	445	MC	445	442	442	NA
Rajkot +VAT	446	441	440	440	435	438
Delhi	420	428	430	430	430	430

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

Crude Palm oil Futures Firm Up at BMD

Crude palm oil future gained across the board and the most active April contract of crude palm oil futures finished MYR17 up at MYR1,917/tonne at Bursa Malaysia

Derivatives on Friday amidst follow-through speculative buying and short covering. Palm oil futures moved in tandem with gains in crude oil and overnight CBOT.

WEEKLY WEATHER WATCH

FORECAST FOR NEXT 5 DAYS

A weak western disturbance is likely to move across J&K and adjoining area within next 24-36 Hrs. Under its influence light to moderate snowfall/rainfall are expected over J&K and Himachal Pradesh during next 24-36Hrs. Model predictions suggest that another western disturbance is likely to approach north Pakistan and adjoining J&K area around from 6th February,2007. Under its influence scattered snowfall/rain is expected over hilly regions of NW India during 6-7 Feb07. North-eastern states are likely to receive isolated thundershowers during 6-7 Feb07. Light fog is likely to continue over many parts of Indogenetic plains of NW India, in the morning and evening hours during next 3-4 days.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Isolated snow/rainfall are likely over the J&K and H.P. during next 24-36 Hrs. Scattered snowfall/rain is expected over J&K, H.P. and Uttranchal during 6-7 Feb07.

EAST AND NE INDIA: Isolated shower is expected over Sub- Himalayan region and NE States during next 24 Hrs. and during 6-7 Feb07. Mainly dry weather is likely over the rest region.

CENTRAL INDIA: Mainly dry weather is likely over the region during next 4-5 days.

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

WEST INDIA: Mainly dry weather conditions are expected over region. Night temperatures is likely to fall by about 2 °C over Rajasthan and Gujarat region during next 3-4 days.

PORT WATCH

Port updates of edible oils in India (Jan. 29-Feb. 03 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CDSBO	7,000	-	7,000
Palm oil	26,974	4,100	31,074
CFA	2,000	-	2,000
Total	35,974	4,100	40,074

Source: ANAS

Forex Rates:

(February 03, 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.11
European Union	Euro	57.17
Japan	100 Yen	36.04
United Kingdom	Pound Sterling	86.71

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