

MAJOR WEEKLY HIGHLIGHTS

- Domestic News
- USDA Weekly Export Sales Highlights
- WASDE Month Supply and Demand Estimation
- Major Importing Countries of Malaysia's Palm Oil
- SGS estimates: Malaysian Palm oil Export Sales rose by 5.1% During February 1-20
- Weekly Weather Report
- Port Wise: Weekly Import of Vegoil

DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 675,300 MT were 81 percent above the week earlier and 12 percent over the prior 4-week average. Increases were reported for China (250,300 MT, including 55,000 MT switched from unknown destinations), Indonesia (129,000 MT), Mexico (76,500 MT), unknown destinations (45,000 MT), and Japan (43,400 MT). Exports of 802,300 MT were 33 percent below the previous week and 13

percent under the prior 4-week average. The primary destinations were China (358,200 MT), Taiwan (94,100 MT), the United Arab Emirates (72,400 MT), Japan (69,700 MT), and South Korea (58,700 MT). Note: Accumulated exports were adjusted down 7,500 MT for Colombia and 55,700 MT for China. Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 209,900 MT were 23 percent above the previous week and 68 percent over the prior 4-week average. Increases were reported for Mexico (71,100 MT), Canada (27,500 MT), the Dominican Republic (25,400 MT), unknown destinations (24,000 MT), and Chile (23,700 MT). Decreases were reported for Russia (37,300 MT), Colombia (6,000 MT), and Jamaica (5,000 MT). Exports of

279,200 MT--a marketing-year high--were double the previous week and two and one-quarter times the prior 4-week average. The primary destinations were South Korea (57,200 MT), Mexico (39,000 MT), Egypt (24,300 MT), Chile (23,700 MT), and Canada (23,100 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 1,800 MT were primarily for Mexico (1,300 MT) and China (500 MT). Decreases were reported for Canada (300 MT) and Saudi Arabia (200 MT). Exports of 32,200

MT were mainly to China (26,500 MT), Hong Kong (4,600 MT), and Mexico (500 MT). Source: USDA

Malaysian Palm Oil Exports Increase by 5.1%: SGS

SGS has released Malaysian palm oil exports sales estimation for February 1-20 on Wednesday highlighted exports rose by 5.1% at 635,215 metric tons against 604,423 metric tons during corresponding period last month

while to India, palm oil exports remained nil for February 1-20 as compared to 34,200 metric tonne during corresponding period a month ago.

India: Cotton Consumption Rises 18% in November 2006

According to the Indian Textile Commissioner's Office, cotton consumption touched the equivalent of 1,390,597 480-pound bales in November 2006, reflecting an 18% year-on-year increase. As per the sources, India's cotton consumption, as measured by the Textile Commissioner's Office survey, which does not include all use, increased

10.2% in 2005/06, reaching the equivalent of 15,540,961 480-pound bales. Usage is on track to expand at least 15 percent. At the end of November, mill inventories had dropped to 2,835,070 480-pound bale equivalents, which represented less than two months of expected consumption.

India: Cotton Arrivals Arrive at 963,000 Bales in Latest Week

According to sources, the arrivals of new cotton in Indian market has reached 963,000 170-kilogram bales during week ending February 17, 2007, which was up sharply as compared to last year of only 395,000 bales during the same period. Arrivals, however, were below expectations,

especially in Gujarat, where they totaled only 270,000 170-kilogram bales. Total 2006/07 arrivals have reached 20,328,000 170-kilogram bales, which is an increase of 19.6% from the previous year.

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 February 1-20, 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 EU and USA increased by 11.26% and 138.07%, respectively, on good demand compared to the corresponding period under review while China registered declined by 12.26% and nil exports reported to India.

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

(Unit: MT)

Countries/Continents	February 1-20	January 1-20	Change %
European Union	149,204	134,102	+11.26
China	177,468	202,270	-12.26
United States	108,940	45,760	+138.07
India	0	34,200	-100.00

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Despite bullish BMD crude palm oil futures and CBOT, spot prices of palm oil stood in bearish tone across domestic markets due to poor demand. Crude palm oil FOB prices of crude palm oil and RBD palmolein stood in range of \$547-550/tonne and \$582-587/tonne respectively during the week. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates on for the period of February 1-20, 2007 totaled at 635,215 metric tons, rose by 5.1% against 604,423 metric tons for same period last month. Exports of

palm group oil i.e. RBD Palm Olein and RBD Palm oil increased by 1.07% and 21.55% respectively, while RBD Stearin and crude palm oil exports declined by 5.4% and 9.71% respectively during period under consideration. Imports of Malaysia's palm oil to EU and USA increased by 11.26% and 138.07% while to China declined by 12.26% and towards India remained nil. Palm oil prices likely to trade in bearish tone on pressure from cheap availability of cotton oil and mustard oil.

Weekly Crude Palm Oil CIF prices of CPO

(Rs/ 10 kg)

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Kandla& Mumbai	590	595	600	NA	595	595

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

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Kandla	398	397	397	397	397	397

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

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Kandla +VAT	416	418	414	414	414	414
Mumbai +VAT	432	432	432	428	428	428
Chennai +VAT	437	437	437	437	435	435
Kakinada +VAT	421	421	421	422	420	420
Hyderabad +VAT	455	455	452	NA	445	447
Delhi	450	450	450	450	450	450

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

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
CPO	550	Closed	547	547	550	552
RBD Palmolein	585	Closed	582	585	587	590

MC: Market Closed**Refined Soy Oil**

Weakness in refined soy oil maintained across domestic market on poor demand. Crushing margin for soy oil remained low during the week. Cheap availability of cotton oil and mustard oil has spill over impact. In Rajkot market low preference kept soy oil prices range bound. Solvent units unloaded soy oil at cheaper prices induced bearishness. Farmers were unwilling to sell off soybeans at current prices. In Indore market refined soy oil traded in

range of Rs. 412-418/10kg. Reports of Argentina's soybeans crop for 2006/07 stood between 42.5-44.5 million metric tons rose from earlier 41.1 million tons. The CIF prices of crude soy oil declined and remained in range of \$664- \$672 per tonne for March shipment during the week Soy oil prices are likely to trade bearish on pressure likely reduction of imported oil duty in Union Budgets.

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

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Mumbai +VAT	434	434	434	433	433	433
Indore +VAT	418	415	414	412	410	408
Kota +VAT	426	NA	424	423	415	420
Jaipur +VAT	429	NA	427	426	420	424
Hyderabad +VAT	447	447	444	445	445	440
Chennai +VAT	473	470	470	470	470	470
Rajkot +VAT	432	432	432	432	432	432

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

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Mumbai	426	425	425	422	422	422

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

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Kandla & Mumbai	672	672	664	670	672	676

Rape/Mustard Oil

During the week mustard oil prices decreased on pressure from new mustard seeds arrivals and poor demand. Arrivals of new mustard seeds improved in Rajasthan region. Weather remains supportive for harvesting to remain in full swing. Stockists and resellers remain active in unloading. Crushers and expellers maintained their regular offtake. In

Kota market mustard oil remained in range of Rs. 400-405/10kg during the week. Nafed is likely starts fresh procurement for mustard seeds by IInd week March. Mustard oil prices likely to trade steady to bearish ahead on pressure from new mustard seeds in Rajasthan and fresh buying by Nafed.

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

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Mumbai + VAT	432	434	434	432	432	428
Kota +VAT	405	405	403	400	397	395
Jaipur +VAT	410	412	412	408	405	404
Delhi	445	437	437	436	428	424
Neewai +VAT	406	404	400	400	398	396

Groundnut oil

Spot market prices of groundnut oil stood in bullish tone domestically during the week. Crushing for groundnut remained low as few mills left in operation and release low groundnut oil to market requirement. Domestic demand improved to the weekend. Farmers were unwilling to unload groundnut in bulk anticipating higher prices ahead. In Rajkot market stocks of quality seeds are depleting had underlying bullishness. In Mumbai gnut oil price improved

on slightly shortage. In Rajkot market, gnut oil remained in range 640-655/10kg while shelled groundnut remained at Rs. 475-495 per 20kg (bag) with seeds arrivals around 15-20,000 bags during the period under review. Groundnut oil prices likely steady to 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	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Mumbai +VAT	605	605	605	608	608	605
Rajkot +VAT	640	650	650	650	650	640
Andhra Region	667	667	664	680	680	690
Chennai +VAT	660	665	665	670	670	670
Delhi	655	655	652	652	650	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 increased by \$7 and remained in range of \$681/tonne to

\$688/tonne for March shipment during the week. In coming days sunflower oil prices likely to trade likely Government decision to revision in imported oil duty.

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

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Mumbai +VAT	555	555	555	548	540	540
Chennai +VAT	575	575	575	575	570	570
Hyderabad +VAT	560	560	557	555	550	545

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

Center	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Kandla & Mumbai	681	681	682	683	683	688

Refined Cotton Oil

Refined cotton oil remained weak during the week on sluggish demand and weakness in other vegetable oil. Sluggishness in groundnut oil had spill over impact. However arrivals stood steady during the week. Farmers

retained hefty stocks of cottonseeds, as current prices are not lucrative. 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	19.02.07	20.02.07	21.02.07	22.02.07	23.02.07	24.02.07
Mumbai +VAT	436	432	433	433	432	429
Hyderabad +VAT	435	435	432	434	432	425
Rajkot +VAT	432	435	435	435	435	430
Delhi	427	427	427	427	428	424

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

Today, BMD crude palm oil futures settled high across the board at Bursa Malaysian Derivatives amidst overnight gains at CBOT coupled with improved crude oil prices

resulting most active May contract of crude palm oil finished MYR7 high at MYR1,951/tonne. However, sentiments for long-term demand remained sluggish.

Soy Futures Settle Mixed at CBOT

Soy settled mixed at Chicago Board of Trade. May Soybeans finished down at 6.5 cents at \$291.71 per MT. July Soybeans closed down at 6.25 cents at \$ 297.22 per MT. May Soymeal closed \$3.2 down at \$258.93 per MT. May Soybean Oil finished up 0.1 at 30.96 cents per pound. Selling pressure for soybeans, overbought condition for soymeal, harvest pressure from South America at the back of long liquidation pressure for selling supported profit

taking and supported bearish moves in soybean and soymeal futures contract. Soybean oil found support from firm palm oil and energy futures. Export sales report [USDA] for soybean and soymeal came over and above the trader's expectation, however, soybean oil sales came down their expectations thus aiding sentiments for soy complex at CBOT.

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

Model predictions suggest that a western disturbance (W.D.) is likely to affect western Himalayan region during 24-26 Feb07. Under influence of W.D., fairly widespread rainfall/snowfall is likely over J&K, H.P., Uttranchal during 24-26 Feb.,07. Scattered thundershowers over Punjab, Rajasthan, Haryana and Uttar Pradesh during 25-26 Feb.,07. West M.P. may receive isolated to scattered thundershowers with hail during 25-26 Feb06. Another

W.D. is likely to affect western Himalayan region during 28Feb- 1March07.

Zone-Wise Weather Forecast

NORTH & NORTH-WEST INDIA: Fairly widespread snowfall/rain is likely over J&K, H.P. and Uttranchal during next 24-26 Feb07. Scattered thundershower are also likely over Punjab, Haryana, Delhi and west U.P. during next during 25-26 Feb.07.

EAST AND NE INDIA: Mainly dry weather is likely over region during next 2 days. Scattered rainfall is likely over East U.P. Bihar, Jharkhand and West Bengal during 25-26 February.

CENTRAL INDIA: Isolated to scattered thundershower are likely over Madhya Pradesh and Chattisgarh during 25-26 February.

SOUTH INDIA: Isolated rain/thundershowers are likely over south Tamil Nadu, Coastal Karnataka, Kerala and Nicobar Islands during 25-26 Feb.07. Mainly dry weather is likely over the rest region.

WEST INDIA: Mainly dry weather is likely except isolated thundershowers over north Rajasthan during 24-25 Feb.

PORT WATCH

Port updates of edible oils in India (Feb. 19-Feb 24 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
Crude Palm oil	7,250	37,104	44,354
Palm oil	19,100	-	19,100
Soy oil	-	14,500	14,500
Total	26,350	51,604	77,954

Source: ANAS

Forex Rates:

(February 24, 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.28
European Union	Euro	58.30
Japan	100 Yen	36.57
United Kingdom	Pound Sterling	86.9

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.