

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 523,200 MT were 16 percent above the week earlier, but equal to the prior 4-week average. The major buyers were Mexico (233,400 MT), China (127,500 MT), and Egypt (88,000 MT). Exports of 508,200 MT were 35 percent below the previous week and 40 percent under the

prior 4-week average. The primary destinations were China (287,400 MT), Mexico (95,200 MT), Japan (56,000 MT), and Taiwan (17,800 MT). Note: Accumulated exports were adjusted down by 8,300 MT for Germany. Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

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prior 4-week average. The primary destinations were China (287,400 MT), Mexico (95,200 MT), Japan (56,000 MT), and Taiwan (17,800 MT). Note: Accumulated exports were adjusted down by 8,300 MT for Germany. Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 10,100 MT were primarily for Mexico (7,400 MT), Canada (2,400 MT), and El Salvador (400 MT).

Exports of 3,200 MT were mainly to Mexico (1,600 MT) and Canada (1,300 MT). Source: USDA

Oilseeds Output Drop in Current Crop Year: COOIT

Latest release from COOIT (Central Organization for Oil Industry and Trade) highlighted oilseed production in current crop year (July-June) estimates at 22.67 million tonnes (MT) against 23.97 MT a year ago. However, Kharif

oilseeds output estimated at 13.15 MT in current crop year against 13.70 MT a year ago while Rabi output is forecast at 9.52 MT as compared to 10.27 MT during period under review.

Malaysian Palm Oil Exports Drop by 6.1% During March 1-20: SGS

SGS estimated Malaysian palm oil exports for March 1-20 highlighted palm oil exports sales down by 6.1% at 596,774 metric tons against 635,215 metric tons during same period

in last month while to India, palm oil exports reported at 12,400 metric tons during March 1-20 against nil exports during corresponding period in last month.

India: Bt Cotton Accounts for 65% of Total Cotton Produced

According to the Government's official, the cultivation of Bt cotton is anticipated to rise by more than 60% of the total area under cotton cultivation in India in a few years. Currently, acreage under Bt cotton is remaining at around 40% or 9.1 million hectare of total cotton cultivation. It is now grown on 3.8 million hectare (9.390 million acre) of land, up from 29,000 hectare in 2002, when it was first

introduced, according to sources. Bt cotton accounts for 65% of the total cotton produced in India. Gujarat and Punjab have been on the head of adopting Bt technology. Bt cotton is likely to increase cotton production to 27 million bales in the year to September 2007, up 11% from a year ago.

India: ELS Cotton Consumption Projected at 1-Mln Bales

According to Mr. K. F. Jhunjhunwala, President of the East India Cotton Association, India's current consumption of ELS cotton is now estimated at one million bales. He said, the consumption is likely to expand, increasing to 1.8 million bales in three years. Mr. Jhunjhunwala indicated that India is finding it difficult to increase ELS production

and continues to have problems with the quality of the domestic crop. The production of ELS cotton in 2006-07 was estimated at 600,000 bales. This means ELS cotton imports are likely to continue, even as India's total cotton production expands due to an improvement in average yields.

India: Export of Cotton Continues to Increase

According to the Government policy, cotton exports from India are allowed under Open General License (OGL) with zero duty. Further, the Government has been giving incentive of 1% under the Duty drawback with a view to encourage cotton export from the country. This was stated by the Minister of State for Textiles, Shri E.V.K.S. Elangovan in a reply to a question by Shri girdhari Lal Bhargava and Smt. Kiran Maheshwari in Lok Sabha. He further said that export of cotton has registered a sharp

increase in cotton season 2005-06 when the country exported a record quantity of 47 lakh bales as against 9.14 bales during 2004-05. During the current year 2006-07, the cotton exports are expected to maintain the same pace. The Cotton Advisory Board has estimated cotton exports during 2006-07 at 48 lakh bales. During the current years it is expected that 48 lakh bales of cotton will be exported, at approximate value of Rs. 3791.19 crore.

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 March 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 increased by 3.45% and 2.49%, respectively on improved demand compared to the corresponding period under review while China and USA registered drop by 0.34%, and 72.7% respectively

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

(Unit: MT)

Countries/Continents	March 1-20	February 1-20	Change %
European Union	169,024	149,204	+13.28
China	176,860	177,468	-0.34
United States	29,745	108,940	-72.70
India	27,200	26,540	+2.49

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Sluggish demand depressed palm oil prices in domestic market except Chennai market where prices improved on emergence of fresh demand. However, mostly bullish BMD during the week checked the fall in palm oil prices to certain

extent. Crude palm oil CIF prices rose towards end of week and traded between \$605-617 per tonne for April shipment. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates on for the period of March 1-20, 2007

totaled at 596,774 metric tons, down by 6.1% as compared to 635,215 metric tons for same period in February month. Malaysian palm oil exports to India stood at 12,400 metric tons against nil exports during same period in February.

Reports of declining palm oil production in Indonesia on erratic rainy conditions with underlying bearishness at BMD on lack on long-term demand likely to produce mixed reaction in domestic market ahead.

Weekly Crude Palm Oil CIF prices of CPO

(Rs/ 10 kg)

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Kandla& Mumbai	605	608	NA	610	617	627

Weekly prices for CPO

(Rs/ 10 kg)

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Kandla	397	396	396	396	394	402

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Kandla +VAT	418	417	417	416	416	416
Mumbai +VAT	438	438	438	438	438	441
Chennai +VAT	433	435	436	435	438	442
Kakinada +VAT	425	425	422	421	421	425
Hyderabad +VAT	445	445	443	440	443	445
Delhi	455	455	455	455	455	460

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
CPO	557	560	565	565	572	582
RBD Palmolein	587	590	597	595	605	610

MC: Market Closed

Refined Soy Oil

Refined soy oil prices declined across domestic markets on lacklustre trade activities and sluggish demand. Ample soy oil stocks with active selling from resellers coupled with spill over impact of increasing arrivals pressure of new mustard seeds induced bearishness in the market. The fresh outbreak of bird flu was reported in North East Thailand region and Vietnam in midst of week. Hold back of quality beans by stockists and farmers on current prices in Madhya Pradesh favored bulls and cushioned fall in soy oil prices. In Indore market refined soy oil traded in range of Rs. 428-

431/10kg. The CIF prices of crude soy oil improved marginally and hovered between \$673- \$678 per tonne for April shipment during the week. Latest release from COOIT (Central Organization for Oil Industry and Trade) highlighted oilseed production in current crop year (July-June) estimates at 22.67 million tonnes (MT) against 23.97 MT a year ago. The recent reports for soybeans harvest in Brazil stood at 42% as compared to last year's 32% with good weather conditions for advancing harvest there would keep check on soy oil prices globally.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Mumbai +VAT	446	446	445	448	445	446
Indore +VAT	430	430	431	429	428	431
Kota +VAT	440	438	438	438	440	445
Jaipur +VAT	444	442	442	442	444	449
Hyderabad +VAT	459	459	460	458	458	460
Chennai +VAT	470	472	471	471	471	475
Rajkot +VAT	433	433	433	433	437	NA

MC: Market Closed

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Mumbai	429	429	429	429	426	431

Rise in Crude Soy oil CIF during the week

(US \$/ MT)

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Kandla & Mumbai	675	675	678	673	676	685

Rape/Mustard Oil

Pressure from new mustard seeds had strong bearish impact on mustard oil across domestic markets. The recent rainfall in Rajasthan and in other parts of country took credit for significant drop in mustard seeds estimation at 60.2 lakh tonnes for new mustard crop as compared to last year's estimation at 67.7 lakh tonnes. The reports from official sources that Nafed had procured around 12,000 metric tons of new mustard seeds so far at MSP (Rs. 1715 per qtl) in

last 12-15 days supported market from further weakness of mustard oil. In Kota market mustard oil remained in range of Rs. 412-415 per 10kg during the week. The good weather condition for advancing harvest in major growing areas and aggressive buying from Nafed and other stockists likely to support steady to bullishness for mustard oil in coming days.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Mumbai + VAT	436	436	430	428	425	427
Kota +VAT	415	412	412	415	408	415
Jaipur +VAT	423	NA	418	420	418	418
Delhi	448	447	442	440	440	448
Neewai +VAT	414	410	410	412	410	NA

Groundnut oil

The increasing arrivals pressure of Rabi groundnut seeds in Maharashtra, Tamil Nadu, in parts of Karnataka and Andhra Pradesh cast weakness for spot prices of gn oil in the market. The shift of retailers demand to cotton oil in Rajkot due to price difference (around Rs. 200 per 20 kg) pressure gn oil there. In current oil year (Nov 06-Oct 07) groundnut production is estimated to lower by 9 lakh tonne

(LT) to 53.5 LT stimulated stockists for fresh buying. In Rajkot market, shelled groundnut sold in range of Rs. 475-490 per 20 kg (bag) with arrivals in range of 7,000-10,000 bags while gn oil prices stood at Rs. 628-640 per 10 kg during the week. In current arrivals pressure of groundnut seeds with low demand is likely to keep check for gn prices movement in coming days.

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

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Mumbai +VAT	575	575	575	572	575	580
Rajkot +VAT	640	633	635	632	628	630
Andhra Region	655	655	660	650	650	650
Chennai +VAT	595	585	575	575	575	585
Delhi	660	660	660	660	660	660

Sunflower Oil

Spot prices of refined sunflower oil traded on softer side during the week amidst lackluster trade activities. The low sentiments for sunflower meal demand also pressured the sunflower oil domestically. Although, arrivals for sunflower seeds remained steady during the week. The CIF prices of

sunflower oil moved up initially and then stood flat during rest of week. Traders are looking closely over movement global and domestic markets and expecting some bullish movement in coming days.

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

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Mumbai +VAT	520	520	520	520	520	520
Chennai +VAT	530	530	530	530	530	530
Hyderabad +VAT	515	515	515	510	510	510

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

Center	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Kandla & Mumbai	700	695	710	710	710	710

Refined Cotton Oil

Refined cotton oil trade in bullish tone across domestic markets on steady demand. Improved arrivals of groundnut seeds and arrivals of news mustard seeds kept check over prices movement domestically. The cheap availability of mustard oil curbed the upside movement for mustard oil. The poor demand for cotton meal on increased prices was

capped the gains to certain extent. Progress of groundnut seeds harvest and arrivals status in parts of Tamil Nadu, Andhra Pradesh, Maharashtra and Karnataka couple with forecast of isolated rainfall in Andhra Pradesh and Tamil Nadu would produce mix reaction in coming days.

Prices for Refined Cotton Oil during this week

Markets	19.03.07	20.03.07	21.03.07	22.03.07	23.03.07	24.03.07
Mumbai +VAT	442	445	444	444	442	445
Hyderabad +VAT	450	450	450	448	448	450
Rajkot +VAT	436	432	430	430	431	430
Delhi	445	445	445	440	440	445

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

Soy Futures Settle Mixed at CBOT

Soy futures settled mixed at Chicago Board of Trade. May Soybeans finished down at 2.25 cents at \$282.53 per MT. July Soybeans closed down at 2.75 cents at \$ 288.40 per MT. May Soymeal closed down at \$241.73 per MT. May Soybean Oil closed up at 0.68 at \$ 704.59 per MT. Long liquidation selling pressure and lack of fresh buying support

pressured prices to soften by end of session. However firmness in palm oil futures and energy markets besides rally in oil market helped soybean oil futures stay firm. Soymeal futures declined on account of harvesting pressure for soybeans in South America.

Crude Palm oil Futures Finish High at BMD

Technical pressure, firmed crude oil futures pulled crude palm oil futures high across the board at Bursa Malaysian Derivatives on Friday. However, some support also came from bullish overnight CBOT. The most active June contract of CPO futures breach the psychological barrier of MYR

2,000 per tonne during trade session and settled MYR39 high at MYR2,010 per tonne. Traders also anticipate for bullish SGS exports sales estimation for crude palm oil the period of March 1-25.

WEEKLY WEATHER WATCH

FORECAST FOR NEXT 5 DAYS

At present most parts of the country are experiencing mainly dry weather except over north-east states where scattered to thundershowers are occurring. Model predictions suggest that most parts of the country are likely to experience mainly dry weather during next 4-5 days except over hilly regions of NW India viz. J&K, H.P. and Uttarakhand where scattered snowfall/rain is expected during 25-26 March due to a western disturbance. Scattered thundershowers over north-eastern states is likely to continue during next 24-48 Hrs. Predictions suggest that both the day and night temperatures are likely to increase by about 3 degree C over Indo-gangetic plains, northwest and central India during next 3 days.

Zone-Wise Weather Forecast

NORTH & NORTH-WEST INDIA: Scattered snowfall/ rainfall are likely over J&K, H.P. and Uttarakhand during 25th -26 March,07 .

EAST AND NE INDIA: Scattered thundershower/rainfall are likely over Orissa, West Bengal and NE states during next 24-48 hrs. Mainly dry weather is likely over the region.

CENTRAL INDIA: Mainly dry weather is likely over the region during next 3-4 days.

SOUTH INDIA: Isolated rain/thundershowers are likely over south Tamil Nadu, Karnataka, Kerala and Nicobar Islands. Mainly dry weather is likely over rest of the region.

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

PORT WATCH

Port updates of edible oils in India (March 19-24, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	16,000	16,557	32557
Palm oil	17,263	26,278	43541
SFO	-	7,318	7318
Soy oil	-	17,837	17837
CFA	2,000	-	2,000
Total	35,263	67990	103253

Source: ANAS

Forex Rates:**(March 19, 2007)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.70
European Union	Euro	58.04
Japan	100 Yen	36.99
United Kingdom	Pound Sterling	85.74

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