

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 566,000 MT were 36 percent above the week earlier and 3 percent over the prior 4-week average. Increases reported for China (235,100 MT, including 48,000 MT switched from unknown destinations), Japan (117,300 MT), Mexico (115,200 MT), Indonesia (84,100 MT, including 46,000 MT switched from unknown destinations), the Netherlands (77,400 MT, including 60,000 MT switched from unknown destinations), and Germany (77,100 MT,

including 60,000 MT switched from unknown destinations), were partially offset by decreases for unknown destinations (236,000 MT). Exports of 863,300 MT were 8 percent below the previous week and the prior 4-week average. The primary destinations were China (321,500 MT), Japan (86,000 MT), the Netherlands (77,400 MT), Germany (77,100 MT), and Egypt (73,500 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 66,100 MT resulted as increases for Mexico (28,500 MT), Japan (12,800 MT), and Canada (10,900 MT), were partially offset by decreases for Syria (15,000 MT). Exports of 187,600 MT were 73 percent above the previous week and 17 percent over the prior 4-week average. The

primary destinations were the Philippines (40,000 MT), Mexico (32,600 MT), Japan (21,400 MT), Canada (21,200 MT), Saudi Arabia (18,100 MT), and Panama (10,600 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 8,000 MT were primarily for Guatemala (2,900 MT), Canada (1,700 MT), Mexico (1,400 MT), and Jamaica (1,000 MT). Exports of 1,600 MT were mainly to Canada

(600 MT), Mexico (400 MT), Trinidad (200 MT), and Cuba (100 MT). Source: USDA

WASDE Exports sales Estimation for Oilseeds

U.S. soybean ending stocks for 2006/07 are projected at a record 595 million bushels, unchanged from last month, but up 33 percent from 2005/06. Crush and exports are unchanged. Reduced seed use is offset by an equivalent increase in residual, leaving total use unchanged. Soybean meal supply and demand are unchanged this month. Soybean oil stocks are reduced due to lower projected imports. The U.S. season-average soybean price for 2006/07 is projected at \$6.10 to \$6.50, up 20 cents on the lower end of the range. Soybean meal prices are projected at \$185 to \$200 per short ton, up \$5 on both ends of the range. Soybean oil prices are unchanged at 27.5 to 29.5 cents per pound. Global oilseed production for 2006/07 is

projected at 399.1 million tons, up 2.0 million tons from last month. Foreign production accounts for all of the change. Increases for soybeans, rapeseed, peanuts, and copra are partly offset by a small reduction for sunflowerseed. Global soybean production is projected at a record 229.4 million tons, up 1.0 million tons from last month. Brazil production is raised 1.0 million tons to a record 57.0 million tons. Growing conditions have been exceptionally good this season, especially in the southern states, which were affected by drought during each of the past three seasons. Other production changes include increased rapeseed for Australia, increased rapeseed and peanuts for China, and reduced sunflowerseed for EU-25. Source: USDA

Exports of Soybean Meal Declined and Rapeseed Meal Scaled Up

Exports of oilmeals during February showed a mixed response. Export of soy meal declined considerably over

export figure for same month the year before. However, rapeseed meal managed to surpass previous export

figures. As per official release from Solvent Extractors Association of India, 4.49 lakh tonnes of soymeal was exported during month of January, which was 23.5% less

Indian Exporters Raised Raw Cotton Prices by 2-4 cent/Pound

Indian exporters have augmented prices of raw cotton by 2-4 cent/pound or Rs.150-160/maund to 64 cent/pound following Pakistan placed huge import orders, according to sources. Currently, demand for Indian raw cotton is increasing in Pakistan, China and Bangladesh due to its better quality. Besides, the lower production estimates in these countries is also aggravating the situation. Pakistan is facing a shortfall of around 2.5-3 million bales during the current season, whereas country's cotton output is expected at 12.5 million bales while the local demand is 15-15.5 million bales during the current fiscal year. According to sources, Pakistan millers are placing huge import orders

than exports for the same month in the previous year. Similarly, export of rapeseed meal for Feb 2007 and Feb 2006 stood at 97,650 and 28,750 MT respectively.

for raw cotton from different countries mainly from India. They have placed around 8-lakh bales of cotton import orders to the Indian exporters during the last four months from October 2006 to January 2007. Around 3-lakh bales of cotton have reached in Pakistan during the same period. Indian exporters have raised prices all quality of raw cotton i.e. J-34, Shankar-6 and MU-5. Therefore, prices of J-34 cotton has reached at 54-55 cent/pound over 51-52 cent/pound, Shankar-6 is offering at 58-59 cent/pound as against of 54-55 cent/pound and MU-5 cotton prices has touched 63-64 cent/pound as compared to 60-61 cent/pound.

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 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 USA increased by 142.96%, on improved demand compared to the corresponding period under review while EU, China and registered drop by 4.65%, 27.4% and 30.69% respectively.

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

(Unit: MT)

Countries/Continents	February	January	Change %
European Union	212,834	223,207	-4.65
China	229,468	316,075	-27.40
United States	134,340	55,294	+142.96
India	26,685	38,500	-30.69

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Palm oil prices traded on softer side in domestic market during the week started from March 05 amidst sluggish demand and pressure from weakness in other edible oil. Vanaspati markers exhibited poor interest in fresh buying due to ample vanaspati stock in the market and cheaper availability of cotton oil induced bearishness. Stockists remained disinterested for fresh buying on fall short of

bullish days ahead sparked weakness. Lack of firm advice from overseas market amplified bearishness. Fall of Malaysia crude palm oil export sales estimates on for the period of February month, 2007 down by 10.3% against January month had spill over impact. Crude palm oil and palmolein FOB prices improved and remained in range of \$547-557 per tonne and \$580-587 per tonne respectively

during the week. Crude palm oil CIF remained in range of \$595-605 per tonne for March shipment. Palm oil prices likely to trade steady to bullish on forth coming

annual industry conference at Kuala Lumpur and bullish palm oil exports estimation by Malaysian Palm oil Board (MPOB).

Weekly Crude Palm Oil CIF prices of CPO

(Rs/ 10 kg)

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Kandla& Mumbai	595	595	595	600	600	605

Weekly prices for CPO

(Rs/ 10 kg)

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Kandla	391	395	393	394	394	393

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Kandla +VAT	415	415	415	415	416	415
Mumbai +VAT	432	432	430	430	431	431
Chennai +VAT	435	431	430	430	431	430
Kakinada +VAT	418	419	419	418	420	421
Hyderabad +VAT	440	437	437	437	440	438
Delhi	450	450	450	450	450	450

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
CPO	547	550	550	552	557	555
RBD Palmolein	580	580	582	585	587	587

MC: Market Closed

Refined Soy Oil

Spot prices of refined soy oil remained mixed domestically on sluggish demand and mixed sentiments at CBOT. Solvent plants are having ample stock of soy oil and constantly bearishness. Soymeal sentiments improved during the week capped the losses to certain extent. Crude soy oil CIF prices improved during the week and remained

in range of \$665-678 per tonne for March shipment while soy degum hovered around Rs. 418-420 per 10 kg. In Indore market soy oil prices declined and traded in range of Rs. 415-419 per 10kg. Current low crushing margin for soy oil and improved soybeans price in mandi and plants is likely to pushed market steady to bullish in near-term.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Mumbai +VAT	436	436	438	436	438	438
Indore +VAT	419	417	416	415	416	420
Kota +VAT	430	428	425	NA	430	430
Jaipur +VAT	434	432	430	NA	435	435
Hyderabad +VAT	445	448	448	450	450	450
Chennai +VAT	460	460	460	NA	461	465
Rajkot +VAT	432	432	432	432	432	432

MC: Market Closed

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

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Mumbai	418	420	420	420	420	421

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

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Kandla & Mumbai	665	670	665	670	678	678

Rape/Mustard Oil

Sluggish demand and arrival pressure of new mustard seeds depressed mustard oil price across domestic markets. Crusher/expellers were reported to replenish their stocks due to current prices for mustard seeds are low had underlying bullish impact. Reports of harvest finished in Kota regions while remained in full swing in other parts of Rajasthan had pressure mustard oil. Cloudy weather

condition with forecast of isolated rainfall in Rajasthan and Madhya Pradesh added bullishness to weekend. In Kota mustard oil traded in range of Rs. 400-405 per 10 kg during the week. As Nafed is likely to start procurement of new mustard seeds by the next week would support bullish sentiments.

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

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Mumbai + VAT	430	430	429	429	430	432
Kota +VAT	405	400	400	400	405	408
Jaipur +VAT	415	411	408	408	413	416
Delhi	435	435	432	430	435	435
Neewai +VAT	NA	400	398	398	401	403

Groundnut oil

Weakness in other edible oils had bearish reflection on groundnut oil. Under current high price of groundnut seeds many crushers were shut down and only countable left in operation are producing sizable quantity of groundnut oil but low demand results induced bearishness. Reports of advancing Rabi groundnut harvest in parts Karnataka and Andhra Pradesh coupled with fresh arrivals in part of Tamil

Nadu depressed market there. In Rajkot market, refined groundnut oil prices declined on week demand and revolved around Rs. 630-640 per 10 kg while groundnut seeds stood in range of Rs. 480-500 per 20kg with arrivals of stood in range of 7,000-20,000 bags had underlying bullishness. Fresh arrivals of Rabi groundnut seeds in above states would pushed market down in near-term.

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

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Mumbai +VAT	600	595	595	592	590	587
Rajkot +VAT	640	640	640	635	630	625
Andhra Region	690	695	695	695	700	690
Chennai +VAT	640	630	640	NA	605	595
Delhi	660	660	660	660	660	660

Sunflower Oil

Spot prices of refined sunflower oil remained weak during the week on sluggish demand and weakness in other vegetable oil. During end of week CIF prices of sunflower oil for March shipment stood unchanged at \$700/tonne

during the week. In coming days sunflower oil prices likely to trade bearish on weakness in other edible oil and spill over impact on reduction in improved duty.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Mumbai +VAT	528	525	515	518	505	510
Chennai +VAT	550	545	540	NA	532	530
Hyderabad +VAT	530	510	505	507	515	515

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Kandla & Mumbai	700	700	700	700	700	700

Refined Cotton Oil

Spot prices of refined cotton oil traded in bullish tone across domestic market on improved demand. Crushing for cotton oil was reported to decline during the week kept the bulls up. Solvent plants unloaded cotton oil at competitive price

for palm oil supported bullish sentiments. Progress of groundnut seeds harvest and arrivals status in parts of Tamil Nadu, Andhra Pradesh and Karnataka is likely to produce spill over impact on cotton oil prices in near-term.

Prices for Refined Cotton Oil during this week

Markets	05.03.07	06.03.07	07.03.07	08.03.07	09.03.07	10.03.07
Mumbai +VAT	437	437	438	437	440	439
Hyderabad +VAT	436	436	436	442	448	448
Rajkot +VAT	NA	433	433	432	432	432
Delhi	430	430	430	430	432	435

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

Crude Palm oil Futures Settle Mixed on Dull Trade day

The mixed crude soy oil futures at CBOT reflected on crude palm oil futures at Bursa Malaysian Derivatives amidst lacklustre trade activities and most active may contract of crude palm oil futures finished unchanged to Thursday at MYR1,963/tonne. Traders were reluctant to take fresh

position on lack of bullish sentiments for long demand and supply kept the bears up. Poor excitement over SGS exports sale estimation for period of March 1-10 also aided bearishness.

CBOT Soy Futures Settle Mixed

Soy futures ended mixed at Chicago Board of Trades on Friday. May Soybeans close 0.75 cents up at \$279.1322/tonne. July Soybeans settled 1.25 cents up at \$285.0106/tonne. May Soybean oil finished 0.01 down at 30.59 cents/pound. Follow-thorough buying supported November soybeans at Chicago Board of Trade on Friday but improve weather conditions for soybeans in South

America coupled with weak energy market pushed soy futures down. USDA ending stocks for soybeans stood unchanged to last month at 595 million bushels while soybean oil ending stock declined by 25 million pounds at 2.664 billion pounds against 3.019 billion bushels a year ago. World ending stocks for soybeans were stood at 57.5 million ton rose from 57.43 million tons from last month.

WEEKLY WEATHER WATCH

FORECAST FOR NEXT 5 DAYS

A western disturbance as an upper air system lies over north Pakistan & neighbourhood. An induced low pressure area with associated upper air cyclonic circulation lies over south Pakistan and adjoining West Rajasthan. Under their influence scattered to fairly widespread rain/snow is likely over Western Himalayan Region during next 48 hrs. Isolated rain/thundershower is also likely over adjoining plains of northwest India and Rajasthan during the same period. Another western disturbance is likely to effect northwest India . Under its influence scattered to fairly widespread precipitation are likely over northwest India and Rajasthan during 11th to 13th and over east India on 12th and 13th. Isolated heavy falls also likely over Western Himalayan Region and isolated hail/squall over the adjoining plains.

Zone-Wise Weather Forecast

NORTH & NORTH-WEST INDIA: Scattered to fairly widespread snowfall/rain is likely over J&K, H.P., Uttarakhand during next 48 Hrs. and subsequently during 11-13 March, 07. Isolated to scattered thundershower/rain is likely over rest of the region during 9-10 March and during 12-13 March.

EAST AND NE INDIA: Isolated rain is likely over east UP during 12-13 March ,07.

CENTRAL INDIA: Mainly dry weather is likely.

SOUTH INDIA: Isolated rain/thundershowers are likely over South Kerala , south Tamil Nadu and coastal A.P. during next 48 hours and mainly dry weather thereafter.

WEST INDIA: Mainly dry weather is likely except north Rajasthan where isolated to scattered rain is likely during 10 March. and on 12th March.

PORT WATCH

Port updates of edible oils in India (March 03-10, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
Crude Palm oil	17,450	33,923	51,373
CDSBO	-	13,000	13,000
Palm oil	19,000	38,921	57,921
CFA	-	2,000	2,000
Total	36,450	87,844	124,294

Source: ANAS

Forex Rates:

(March 10, 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	58.06
Japan	100 Yen	37.41
United Kingdom	Pound Sterling	85.62

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