

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 451,900 MT were 20 percent below the week earlier and 11 percent under the prior 4-week average. Increases reported for Mexico (190,600 MT), China (103,400 MT, including 45,000 MT switched from unknown destinations), Egypt (70,200 MT, including 25,000 MT switched from unknown destinations), Germany (65,200 MT, including 60,000 MT switched from unknown destinations), and the Netherlands (64,000 MT, including

60,000 MT switched from unknown destinations), were partially offset by decreases for unknown destinations (169,000 MT). Exports of 784,600 MT were 9 percent below the previous week and 17 percent under the prior 4-week average. The primary destinations were China (282,700 MT), Mexico (85,000 MT), Japan (84,000 MT), Germany (65,200 MT), and the Netherlands (64,000 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 277,000 MT--a marketing-year high--were four and one-fifth times the previous week and two and one-half times the prior 4-week average. The primary buyer was Canada (143,200 MT), with smaller quantities to Guatemala (46,800 MT), the Dominican Republic (26,600 MT), Panama (24,000 MT), and Turkey (15,000 MT). Decreases were reported for Mexico (19,100 MT). Sales of

22,200 MT for delivery in 2007/08 were for Canada. Exports of 135,200 MT were 28 percent below the prior week and 24 percent under the previous 4-week average. The primary destinations were Turkey (38,000 MT), Mexico (31,800 MT), Canada (19,900 MT), and Morocco (13,400 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 2,200 MT were primarily for Guatemala (1,000 MT), Canada (500 MT), Mexico (200 MT), and Trinidad (200 MT). Exports of 12,200 MT were mainly to Jamaica

(4,300 MT), Guatemala (4,100 MT), Mexico (1,500 MT), Canada (1,400 MT), and Barbados (500 MT). Source: USDA

Malaysian Palm Oil Exports Drop by 24.6% in February: SGS

SGS estimated Malaysian palm oil exports for March 1-10 highlighted palm oil exports sales down by 24.6% at 288,038 metric tons against 382,170 metric tons during

same period in February while to India, palm oil exports reported at 2,900 metric tons during March 1-10 against nil exports during corresponding period a month ago.

Palm oil Export Down in February: MPOB

Malaysian plm oil Board (MPOB) released palm oil exports sales estimation for February month highlighted palm oil exports dropped by around 15% at 811,046 metric tons against 957,874 metric tons in January month. Crude palm oil production in February month down by 11.4% to 988,562

metric tons as compared to 1,115,340 metric tons in January month while stock by the end of February month increased merely by 0.2% at 1,477,614 metric tons against 1,474,475 metric tons last month.

India's Edible oil Import is Expected to Increase

India's edible oil demand import is likely to increase to 6.4 million tonnes (MT) in current oil year (Nov 06-Oct 07) against 5.4 MT last year a year ago on decreasing oilseeds output by around 4% to 24 MT as farmers have shifted to more remunerative crops like chana, wheat etc. Out of

above edible oil figure, palm group oils import is likely to remain at 4.9 MT while soy oil import is expected to decline at 1.3 MT as compared to 1.7 MT last year, according to emerging media and trade estimates.

Malaysian Palm Oil Exports Drop by 3.1% During March 1-15: SGS

SGS estimated Malaysian palm oil exports for March 1-15 highlighted palm oil exports sales down by 3.1% at 496,977 metric tons against 512,632 metric tons during same period

in last month while to India, palm oil exports reported at 12,400 metric tons during March 1-15 against nil exports during corresponding period February 1-15.

India's Edible Oil Imports Down by 43.9% in February

In February month, edible oil import dropped by 43.9% at 150,927 metric tons against 269,050 metric tons corresponding period a year ago in recent trades estimation. Crude palm oil imports declined by 19.53% at 107,137 metric tons as compared to 133,139 metric tons

during same period last year while crude soy oil import declined by 80.62% at 18,000 metric tons against 92,904 metric tons during period under consideration. Thanks to cheaper availability of edible oil across domestic markets with arrivals of new mustard crop.

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 kept

unchanged 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.

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 1-15, 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

Malaysia's palm oil to EU increased by 3.45%, on improved demand compared to the corresponding period under review while China and USA registered drop by 5.08%, and 71.72% respectively while to India remained at 12,400 MT against nil exports a month ago.

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

(Unit: MT)

Countries/Continents	March 1-15	February 1-15	Change %
European Union	147,088	142,189	+3.45
China	147,560	155,458	-5.08
United States	21,105	74,638	-71.72
India	12,400	0	-

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Spot prices of palm oil traded on higher side in domestic market amidst improved demand. The annual prices outlook in industrial conference at Kuala Lumpur was failed to stimulate BMD to the weekend and it remained mixed during the week. Crude palm oil CIF stood in range of \$600-605 per tonne for April shipment. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates on for the period of March 1-15, 2007 totaled at 496,977 metric tons, dropped by 3.1% against 512,632 metric tons for same period in February month. Exports of RBD Palm

Olein and crude palm oil increased by 6.71% and 55.47% respectively while RBD Palm oil, RBD Stearin exports declined by 41.7% and 43.93% respectively during same period under review. Import of Malaysia's palm oil to China and USA dropped by 5.08% and 71.72% respectively while to EU increased by 3.45%. Malaysian palm oil exports to India stood at 12,400 metric tons against nil exports during same period in February. Improved day and night temperature in major consuming regions would fuel sentiments for palm oil in short-term.

Weekly Crude Palm Oil CIF prices of CPO

(Rs/ 10 kg)

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Kandla& Mumbai						

Weekly prices for CPO

(Rs/ 10 kg)

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Kandla	395	397	395	395	396	397

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Kandla +VAT	418	419	419	418	418	418
Mumbai +VAT	434	435	438	438	438	440
Chennai +VAT	431	432	431	432	432	432
Kakinada +VAT	422	422	422	423	425	425
Hyderabad +VAT	440	440	438	443	443	445
Delhi	450	450	450	455	455	NA

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
CPO	557	560	557	557	555	555
RBD Palmolein	587	590	590	587	585	585

MC: Market Closed

Refined Soy Oil

Refined soy oil firmed up across domestic market during the week started from March 12 on improving sentiments for soy meal and soy oil. The low crushing margin for soy oil and hold back of quality soybeans seeds by farmers and stockists on anticipation for good premium in lean season supported bullish sentiments. Recent rainfall in Rajasthan and Madhya Pradesh strengthened mustard seeds prices with spill over impact on soy oil there. Crude soy oil import to country declined by 80.62% at 18,000 metric tons in February month against 92,904 metric tons same period a year ago. NOPA's soybean crushing report for February

month stood at 130.78 million bushels as compared to 148.9 million bushels in January indicated low soy oil demand globally. While soy oil stock for February month stood at 2.772 billion pounds as compared to 2.739 last month. In Indore market soy oil prices improved and stood in range of Rs. 422-426 per 10 kg. Crude soy oil CIF prices declined marginally to weekend and remained in range of \$670-678 per tonne for April shipment. Current low crushing margin for soy oil with improved soybeans price in mandi and plants is likely to push up market steady to bullish in near-term.

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

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Mumbai +VAT	444	445	445	445	445	448
Indore +VAT	423	423	424	422	426	430
Kota +VAT	432	433	430	437	445	NA
Jaipur +VAT	437	438	435	442	448	NA
Hyderabad +VAT	455	455	455	455	458	459
Chennai +VAT	470	470	475	470	470	470
Rajkot +VAT	432	432	432	432	433	433

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

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Mumbai	422	425	425	424	429	429

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

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Kandla & Mumbai	678	678	670	670	677	676

Rape/Mustard Oil

Mustard oil prices improved domestically on improved demand and anticipation for some damage of mustard crop in harvest stage crop amidst recent rainfall in parts of Rajasthan and Punjab region. Under prevailing higher prices of mustard seeds in physical, farmers were reluctant to unload to Nafed, which willing to purchase at MSP (Minimum Support Price) supported bullishness in Neewai

and Kota region. Expellers were reported to fresh buying of mustard seeds to buffer their mustard seeds stocks on fall short of low prices of mustard seeds in coming days. In Kota mustard oil traded in range of Rs. 412-416 per 10 kg during the week. In coming days, market would react according to procurement of new mustard seeds by Nafed and other stockists.

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

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Mumbai + VAT	433	436	436	436	436	436
Kota +VAT	412	416	414	415	416	414
Jaipur +VAT	420	424	422	423	424	422
Delhi	440	445	445	444	445	NA
Neewai +VAT	405	NA	410	412	413	413

Groundnut oil

Groundnut oil remained mixed in domestic market on sluggish demand with dwindled quality gn seeds for crushing. Only hand full of expellers/crusher was reported in crushing but low crushing margin for gn oil coupled with higher prices of gn seeds strengthened Rajkot market. Arrivals pressure of new gn seeds was reported from Tamil Nadu and in parts of Karnataka and Andhra Pradesh

depressed market there. In Rajkot market, refined groundnut oil prices improved and traded in range of Rs. 625-635 per 10 kg while groundnut seeds stood in range of Rs. 480-490 per 20kg with arrivals of stood in range of 7,000-10,000 bags. Gn oil is likely to trade in bearish tone on improving arrival pressure in above regions.

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

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Mumbai +VAT	585	585	585	585	582	580
Rajkot +VAT	625	630	630	630	635	640
Andhra Region	665	665	650	665	655	655
Chennai +VAT	585	590	585	600	600	595
Delhi	660	660	660	660	660	NA

Sunflower Oil

Refined sunflower oil remained mixed during the week on sluggish demand and improved sentiments for other vegetable oil. Arrivals of sunflower seeds declined to the weekend. There are reports of shirt traders' interest to new arrivals likely groundnut in Mumbai and Hyderabad market.

Towards the weekend the CIF prices declined for crude sunflower oil for April shipment by \$ 2. In coming days sunflower oil prices likely to trade steady to bullish improving sentiments for demand of edible oil.

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

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Mumbai +VAT	510	520	520	520	520	520
Chennai +VAT	525	530	525	530	527	530
Hyderabad +VAT	520	520	515	520	515	515

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

Center	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Kandla & Mumbai	678	678	670	670	677	676

Refined Cotton Oil

Spot prices of refined cotton oil traded mixed in across domestic market on improved demand. Crushing for cotton oil was reported to decline due to sluggish demand for cotton oil. There are reports of increasing prices of cotton

oil turn off vanaspati markers dependency on as sole source. Progress of groundnut seeds harvest and arrivals status in parts of Tamil Nadu, Andhra Pradesh and Karnataka is likely to depress cotton oil prices in near-term.

Prices for Refined Cotton Oil during this week

Markets	12.03.07	13.03.07	14.03.07	15.03.07	16.03.07	17.03.07
Mumbai +VAT	445	445	444	441	445	445
Hyderabad +VAT	448	448	447	450	452	450
Rajkot +VAT	438	438	437	436	437	436
Delhi	440	440	440	442	442	NA

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS**Soy Futures Settle High at CBOT**

On Friday, soy futures settled high at CBOT. May soybeans settled 3 cent up at \$276.8359 per metric ton. July soybeans finished 2.25 cent high at \$262.5306 per metric ton. May soymeal ended \$0.6 up at \$240.3014 per metric ton. May Soybean Oil settled 0.21 high at 30.77 cent/pound. Anticipation for decrease in sowing areas for soybeans in next season on ideas of corn prices are

lucrative may extract some land from soybeans fuelled soy futures at Chicago Board of Trades on Friday. Weak exports for soybeans boosted bullish sentiment and reduced the underlying bearish impact of advancing harvest in South America. Improved sentiments for crude oil futures strengthened soy oil market coupled with bullish talk about India's oilseed output in 2006/07.

Crude Palm oil Futures Finish Down at BMD

Lack of fresh fundamentals cast weakness for crude palm oil futures at Bursa Malaysian Derivatives. The most active June contract ended MYR9 down at MYR 1,947 per tonne on subdued trade activities. Extended uncertainty for edible

oil in global markets was sparked weakness for palm oil. Traders were reluctant to take fresh position in current market conditions supported bears.

WEEKLY WEATHER WATCH

FORECAST FOR NEXT 5 DAYS

Dry weather conditions are likely to prevail over Northwest, Central and East Indian region during next 24-36 Hrs. Day temperatures are likely to rise during next 2 days over Indo-Gangetic plains and central India. Model predictions continue to suggest western disturbance is likely to affect hilly regions of NW India during 18-21 March. Under its influence scattered to fairly widespread snow/rain is expected over J&K, H.P. and Uttarakhand during the said period. Adjoining plains of NW India viz. Punjab, Haryana, west U.P. and north Rajasthan are likely to experience isolated thundershower activity with speedy winds during 20-21 March. Both the day and night temperatures are likely to increase by about 2-3 degree over NW and central India during next 4-5 days.

Zone-wise weather forecast

NORTH & NORTH-WEST INDIA: Scattered to fairly widespread rainfall/snowfall are likely over J&K, H.P., Uttarakhand during 18-21 March and Isolated thundershower/rain are likely over Punjab and Haryana during 20-21 March,07.

EAST AND NE INDIA: Isolated to scattered thundershower/rainfall is likely over NE states during next 24 hrs. Mainly dry weather is likely to prevail over rest of the region.

CENTRAL INDIA: Mainly dry weather is likely.

SOUTH INDIA: Isolated rain/thundershowers are likely over South Tamil Nadu and Kerala during next 24 hours. Mainly dry weather is likely over the rest region.

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

PORT WATCH

Port updates of edible oils in India (March 12-17, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CDSBO	-	13,000	13,000
CFA (Crude Fatty Acid)	2,000	2,000	4,000
CPO	4,754	15,528	20,282
Palm oil	26,278	14,500	40,778
Total	33,032	45,028	78,060

Source: ANAS

Forex Rates:

(March 17, 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.17
European Union	Euro	58.81
Japan	100 Yen	37.83
United Kingdom	Pound Sterling	85.79

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