

## MAJOR WEEKLY HIGHLIGHTS

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## DOMESTIC & INTERNATIONAL NEWS

### USDA Weekly Export Sales Highlights for Soybean

Net sales of 422,500 MT were 49 percent above the previous week and 78 percent over the prior 4-week average. The major buyers were Indonesia (83,900 MT), Japan (65,400 MT), China (64,300 MT), Turkey (56,000 MT), and Mexico (43,800 MT). Sales of 11,600 MT for delivery in 2007/08 were primarily for Costa Rica (10,000

MT). Exports of 454,500 MT were 5 percent below the previous week and 23 percent under the prior 4-week average. The primary destinations were Japan (109,700 MT), Indonesia (102,200 MT), Mexico (76,100 MT), China (55,300 MT), and Taiwan (54,900 MT). Source: - USDA.

### USDA Weekly Export Sales Highlights for Soy meal

Net sales of 151,300 MT were 46 percent above the previous week and 20 percent over the prior 4-week average. Increases for the Philippines (42,000 MT, including 24,000 MT switched from unknown destinations), Mexico (27,600 MT), Japan (25,000 MT, including 24,000 MT switched from unknown destinations), Canada (22,500 MT), and Morocco (17,800 MT, including 21,000 MT switched from unknown destinations and decreases of

3,200 MT), were partially offset by decreases for unknown destinations (35,000 MT). Exports of 146,700 MT were 78 percent above the prior week and 5 percent over the previous 4-week average. The primary destinations were Canada (29,500 MT), Japan (28,200 MT), Mexico (26,700 MT), the Philippines (26,400 MT) and the Dominican Republic (16,100 MT). Source: - USDA.

### USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 16,600 MT were primarily for unknown destinations (10,000 MT), Jamaica (3,100 MT), and Mexico

(2,500 MT). Exports of 2,000 MT were mainly to Mexico (1,200 MT) and Canada (500 MT). Source: - USDA.

### Argentina Completed 46% Soybeans harvest as on April 26

Agriculture Secretariat of Argentina highlighted as on April 26, 46% soybeans has been harvested of 2006/07 as compared to 65% during same period last year due to

continue rainfall last week. Secretariat also highlighted the record harvest of soy crop at 45.5 million tons for 2006/07 against 40.5 million tons in 2005/06.

### Argentina Soybeans Crush Down in February: Agriculture Secretariat

Agriculture Secretariat highlighted Argentina has crushed 1,874,825 metric tons of soybeans in February month, which is 3.2% down as compared to 1,936,020 metric tons

same period last year. February production of soy oil totaled at 358,154 metric tons, down by 3.75% against 372,091 metric tons same period a year ago.

## Soybeans Imports Drop by 19% in China in March

China registered a drop of 19% in soybeans and 14% for soy oil imports at 2.11 million metric tonne and 216,888 metric tonne respectively in March month against a year ago amidst low demand for soymeal to raise live stock coupled with weak prospective for biodiesel on undertone

crude oil prices. Improving prospective for soybeans demand from China coupled with fears of better plantation conditions in Midwest for corn may translate acreage from soybeans, which could strengthens soybeans prices at CBOT in near-futures.

## Argentina Oilseeds Stock Rise by 56% on February 1

Latest data released by Agriculture Secretariat's of Argentina highlighted oilseeds stock on February 1 rose by 56% at 1,252,286 metric tons against same month in 2006. Soy oil stock rose by 39% at 346,045 metric tons as on

February 1 against same period last year. Agriculture secretariat also highlighted Argentina could harvest soybeans nearly 45.5 million tons in 2006/07 against record harvest of 41.3 million tons in 2005/06.

## Malaysian Palm Oil Exports Rise by 27% During April 1-25: SGS

The recent SGS estimation of Malaysian palm oil exports for the period of April 1-25 highlighted exports increased by 27% at 907,330 metric tons (MT) as compared to 714,124 MT during March1-25 while to India, palm oil exports

increased by 154.58% at 69,245 MT during April 1-25 against 27,200 MT during corresponding period a month ago.

## Domestic Edible oil Cheaper by Re 1

Domestic edible oil producers dropped Re 1/kg on various edible oils amidst strengthening rupee (by 6% over the period of last one month) to feed the benefit to consumers.

## Grains Stocks Rise With Argentina

As per recent data on grains stocks by Argentina's National Office for the Control on Agricultural Trade highlighted stocks rose by 7.6% at 13.84 million metric tons as on February 28 against 12.86 million metric tons same period a year ago. Soybeans stocks increased by 72.12% at

1,994,439 metric tons on February 28 as compared to 1,158,782 metric tons same period last year and sunflower seeds stocks dropped by 8.76% at 988,086 metric tons on February 28 as compared to 1,082,905 metric tons a year ago.

**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 April 1-25, 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, USA and India increased by 3.56%, 101.09% and 154.58% respectively on improved demand compared to the corresponding period under review while EU registered declined by 7.48%.

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

(Unit: MT)

Countries/Continents	April 1-25	March 1-25	Change %
European Union	180,281	194,849	-7.48
China	231,192	223,235	+3.56
United States	101,037	50,245	+101.09
India	69,245	27,200	+154.58

Source: SGS (Malaysia) Bhd.

## DOMESTIC MARKET ANALYSIS

### Palm Oil

Palm oil continued to rule bearish in domestic markets on sluggish demand and mostly bearish BMD CPO futures amidst lack of fresh fundamentals and poor demand from Europe. As market remained unstable at higher prices and retailers prefer for other cheaper options pushed market down. Domestic vanaspati marker also remained disinterest for fresh demand, as current prices are high coupled with cheap import of vanaspati from Nepal and other neighboring countries pressured palm oil. In current week, crude palm oil CIF prices traded between \$735-740 per metric tonne for May shipment. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates of palm oil

for the period of April 1-25, 2007 totaled at 907,330 MT, increased by 27% against 714,124 MT corresponding period in March month. Malaysian palm oil exports to India also rose sharply by 154.58% at 69,245 MT during April 1-25 against 27,200 MT during same period last month. However, higher prices of palm oil signals likely shift to alternative edible oil for biodiesel consumption thus creating stiff competition between soybean and palm oil to regain market share. Fading prospects for biodiesel in Europe amidst overcapacity of biodiesel would remain unsupportive for palm oil in Indonesia and Malaysia in near-futures.

### Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Kandla& Mumbai	740	740	740	735	NA	740

### Weekly prices for CPO

(Rs/ 10 kg)

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Kandla	427	424	424	422	422	420

### Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Kandla +VAT	453	452	448	445	448	445
Mumbai +VAT	458	457	452	455	456	459
Chennai +VAT	458	460	456	460	458	460
Kakinada +VAT	441	437	437	436	435	437
Hyderabad +VAT	456	456	457	457	457	457
Delhi	495	490	490	490	490	490

MC: Market Closed

**Weekly prices for FOB (Kandla)****(US \$ / MT)**

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
CPO	692	687	695	NA	692	697
RBD Palmolein	712	705	710	NA	710	715

**MC: Market Closed****Soybean Complex**

Rates for soybean, soy oil and soymeal continued to remain weak through out the week. Mostly weak soy complex at CBOT, decline in prices of edible oils by Rs 1000/MT, weak sentiments for soymeal at ports, reduced offtake of soybeans by millers and solvent units coupled with impressive import deals for edible oils struck with overseas traders amidst appreciating Rupees featured the market sentiments. Total daily arrivals stood at previous week's levels of 30,000 to 40,000 bags. Rates of soybean across spot markets varied from Rs 1470 to Rs 1600/qtl whereas rates across plants declined from previous weeks price band of Rs 1535 to Rs 1660/qtl to Rs 1510 to Rs 1620/qtl respectively. In Indore market refined soy oil traded between Rs. 462-466 per 10kg. CIF prices of crude soybean oil hiked to \$745 to \$755 per tonne for May shipment over previous weeks prices of \$ 724 to \$ 745/MT. Interplay of various views and opinions kept influencing domestic market sentiments from time-to-time basis. With

harvesting almost complete over Brazil and weather conditions improving over Argentina, supply pressure of harvest would mount pressure on prices of beans. Talks of increase in acreage of corn in China and US acted as counter balancing phenomenon to gain competitive edge over South American beans despite depreciating US dollar in world market. The Census crush US reports for March soybeans crushing remained bullish and totaled at 4.21 million tons against trade expectations around 4.18 million tons while soybeans oil stood at 1.52 million tons as compared to trade expectations at 1.54 million tons. The USDA weekly export sales report too came bullish but couldn't lift up the sentiments. Imports of edible oils for June shipment would rely on prices of palm and soybean oil in world market, however hike in price of either palm or soy oil would benefit the one that would land at cheaper cost at ports.

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

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Mumbai +VAT	465	466	466	466	466	466
Indore +VAT	466	464	462	462	462	466
Kota +VAT	NA	464	463	463	464	468
Jaipur +VAT	NA	467	467	467	468	472
Hyderabad +VAT	480	475	478	478	478	478
Chennai +VAT	490	485	483	485	485	482
Rajkot +VAT	470	470	468	468	470	NA

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

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Mumbai	445	448	443	443	443	445

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

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Kandla & Mumbai	755	750	747	755	745	757

## Mustard Complex

Vegetable oil producers have declined the prices of edible oils by Rs 1 per Kg on account of appreciating rupees and selling pressure for expeller oil at stockists end, well before imported oil strike our shores during second half of May. However, there exist a possibility of virtual shortage of edible oil during first half of May, which may support prices of seeds and oil to certain extent. Prices of mustard seeds across spot markets remained weak through out the week except for slight firmness noticed on Thursday on account of firm seed sentiments at Hapur, Sirsa and Delhi exchanges. Mustard complex seemed to have tracked soy complex to greater extent in terms of price directions. Rates

for conditional and Non-conditional seeds stood at previous weeks levels and were quoted from Rs 1925 to 2150 per qtl and Rs 1750 to 1860 per qtl respectively. Arrivals declined from 2.5 lakh bags on Monday to 2 lakh bags on Friday. Prices of mustard oil declined to Rs.435 to 442 per 10 Kg from previous weeks prices of Rs 442-445 per 10kg at Kota market. Routine trading for mustard seeds and oil in UP remained sluggish on Monday on account of fourth round of polling for assembly elections. However, if the mustard seeds prices continue to soften, farmers may redirect its stocks to NAFED. Procurement drive of NAFED remained dull at previous stocks level.

### Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Mumbai + VAT	477	475	473	468	468	468
Kota +VAT	442	442	440	435	437	440
Jaipur +VAT	454	452	450	440	447	450
Delhi	455	455	450	450	450	455
Neewai +VAT	440	440	435	432	435	437

## Groundnut Oil

In Rajkot market shelled groundnut sold between Rs. 495-530 per 20 kg (bag), while groundnut oil prices stood between Rs. 690-670 per 10 kg during the week. Preference for cotton oil has undermined the interests for groundnut oil amidst decline in crushing margin for groundnut oil. Handful of expellers was actively unloading more groundnut oil to market inducing bearishness. Sluggish demand of groundnut meals both at ports and domestically extended weakness for groundnut oil. Arrivals

of groundnut seeds in Rajkot markets improved by weekend and stood between 10,000-15,000 bags. Harvest of groundnut is nearly over in Andhra Pradesh and Tamil Nadu while supportive weather conditions for groundnut reported in Gujarat. Stockists are likely to release groundnut stocks into the market before arrivals of fresh harvested nuts from Gujarat, which may pressure prices of nuts.

### Prices for groundnut oil during the week

(Rs/10 kg)

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Mumbai +VAT	575	580	575	570	570	NA
Rajkot +VAT	690	690	680	680	670	468
Andhra Region	690	690	685	685	685	685
Chennai +VAT	615	615	615	610	600	600
Delhi	710	700	700	700	710	700

## Sunflower Oil

Refined sunflower oil traded in steady to bearish in domestic market amidst lackluster trades activities and steady demand during the week. Weakness in sunflower seeds meal contributes the steadiness. As per recent data on grains stocks by Argentina's National Office for the Control on Agricultural Trade highlighted sunflower seeds stocks dropped by 8.76% at 988,086 metric tons on

February 28 as compared to 1,082,905 metric tons a year ago. CIF prices of sunflower oil improved during the week and traded in between \$749-780 per tonne for May shipment during the week. Sluggish demand for meal with underlying bearishness in global markets is likely to pressure sunflower oil prices ahead.

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

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Mumbai +VAT	530	530	528	528	525	525
Chennai +VAT	540	540	540	540	535	535
Hyderabad +VAT	535	535	535	535	535	535

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

Center	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Kandla & Mumbai	754	750	749	758	770	780

**Refined Cotton Oil**

Cotton oil prices traded in bullish tone in domestic markets during the week on improved demand with bullish support from other edible oil in domestic markets. As cotton oil improved significantly in recent past and market showed

instability at higher prices and limited the market movement. As prevailing low demand for cotton meal in domestic markets, which is likely to pressure cottonseeds oil in near-term.

**Prices for Refined Cotton Oil during this week**

Markets	23.04.07	24.04.07	25.04.07	26.04.07	27.04.07	28.04.07
Mumbai +VAT	478	476	472	472	470	475
Hyderabad +VAT	470	468	465	465	472	472
Rajkot +VAT	470	472	467	466	468	472
Delhi	462	462	458	458	460	462

**INTERNATIONAL MARKET WEEKLY HIGHLIGHTS****CBOT Soy Futures Finish Mixed**

Soy futures finished mixed on Chicago Board of Trades on Friday. July Soybeans finished 3.5 cents down at \$271.3249 per MT. November Soybeans closed 4.5 cents high at \$ 281.6121 per MT. July Soymeal settled 1.8 down at \$218.4759 per MT. July Soybean Oil finished 0.7 up at \$ 737.238 per MT. Market recouped from Thursday's weakness on ideas of improved weather conditions for corn

plantation faded the possibility of eating acreage from soybeans. As well as surge in crude oil and overnight firmed up palm oil futures led bullish support but gains limited by record harvest in South America coupled with record US soybeans stocks. Talk of slower exports than expected also pressured gains.

**BMD Crude Palm oil Futures Surge on Friday**

Dull trade activities with risk take traders ahead of upcoming holidays pushed up crude palm oil market on Bursa Malaysian Derivatives on Friday. Market also generated bullish momentum amidst decline in palm oil

production in April month with anticipation of an increase in exports in coming month. The most active contract of crude palm oil settled MYR 48 high at MYR2,205 per metric tonne.

## WEEKLY WEATHER WATCH

### FORECAST FOR NEXT 5 DAYS

Model predictions suggest that the temperatures are likely to be above normal over NW and parts of central India. Heat wave conditions may cover some more parts of NW, east and central India during next 3 days. Model predictions suggest that a western disturbance may approach J&K region around during 29-30 April. Under its influence J&K and H.P. may receive scattered rain on 29-30th April. Ongoing fairly widespread rain over NE states is expected to reduce from tomorrow. South Tamilnadu, Kerala and coastal Karnataka are expected to receive scattered rain during 28-29 April.

### ZONE-WISE WEATHER FORECAST

**NORTH & NORTH-WEST INDIA:** Scattered rain is likely over J&K and H.P. during 29-30 April. Mainly dry weather is likely over rest of the region.

**EAST AND NE INDIA:** Mainly dry weather is likely over during next 2-3 days. Fairly widespread to widespread rain/thundershower are likely over NE States during next 24 Hrs and reduce thereafter.

**CENTRAL INDIA:** Mainly dry weather is likely over the region.

**SOUTH INDIA:** Scattered rain/thundershowers are likely over Nicobar Islands. Isolated to scattered rain/thundershowers are likely Tamilnadu, Kerala, coastal Karnataka and coastal A.P. during next 28-29 April.

**WEST INDIA:** Isolated duststorm/thundershowers are likely over north Rajasthan. Mainly dry weather is likely over the region. Day temperatures are likely to rise over Rajasthan and Gujarat during next 3-4 days.

## PORT WATCH

Port updates of edible oils in India (April 23-28, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	28,750	24,000	52,750
Palm oil	11,500	-	11,500
CFA	2,000	-	2,000
<b>Total</b>	<b>42,250</b>	<b>24,000</b>	<b>66,250</b>

Source: ANAS

Forex Rates:

(April 28, 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.79
European Union	Euro	55.65
Japan	100 Yen	34.10
United Kingdom	Pound Sterling	81.48

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