

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 137,000 MT--a marketing-year low--were 47 percent below the week earlier and 64 percent under the prior 4-week average. Increases for Japan (43,800 MT), Mexico (38,200 MT), Egypt (23,200 MT, including 25,000 MT switched from unknown destinations, and decreases of 3,800 MT), and China (15,200 MT), were partially offset by decreases for unknown destinations (21,700 MT). Sales of

6,300 MT for delivery in 2007/08 were for Japan. Exports of 532,600 MT were 32 percent below the previous week and 19 percent under the prior 4-week average. The primary destinations were China (248,900 MT), Mexico (94,100 MT), Egypt (57,200 MT), Japan (44,700 MT), Denmark (25,100 MT), Taiwan (18,800 MT), and Israel (17,400 MT). Source: - USDA.

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 172,500 MT were 42 percent above the previous week and 32 percent over the prior 4-week average. Increases were reported for Mexico (44,100 MT), unknown destinations (43,500 MT), Guatemala (38,200 MT), the Dominican Republic (21,400 MT), and Cuba (19,400 MT). Sales of 48,600 MT for delivery in 2007/08 were for Guatemala (23,000 MT), Canada (21,300 MT),

and Mexico (4,300 MT). Exports of 143,500 MT were 29 percent below the prior week, but 2 percent over the previous 4-week average. The primary destinations were Mexico (44,800 MT), Canada (23,300 MT), Ecuador (22,500 MT), the Dominican Republic (13,500 MT), Cuba (7,700 MT), and Colombia (7,200 MT). Source: - USDA.

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 3,400 MT were primarily for Mexico (2,400 MT) and Canada (1,000 MT). Exports of 1,400 MT--a marketing-

year low--were mainly to Canada (800 MT), Mexico (400 MT), and Cuba (100 MT). Source: - USDA.

USDA: Latest WASDE Report on Oilseeds

Projected U.S. ending stocks of soybeans are up 20 million bushels to a record 615 million bushels as reduced exports, crush, and seed use are only partly offset by higher residual use. Soybean exports are reduced 20 million bushels reflecting slower than expected shipments to date reported by the U.S. Census Bureau. Soybean crush is forecast at 1,765 million bushels, down 15 million bushels from last month. The reduction is due to lower projected domestic soybean meal use and reduced prospects for soybean meal exports. Although soybean meal exports have been strong through the first half of the marketing year, sharply higher South American supplies are expected to reduce the competitiveness of U.S. soybean meal in the second half of

the year. Residual use is increased this month as indicated by the March 30 Grain Stocks report. The U.S. season-average soybean price range for 2006/07 is projected at \$6.10 to \$6.50 per bushel, unchanged from last month. Soybean meal prices are projected at \$190 to \$200 per short ton, up \$5 on the low end of the range. Soybean oil prices are projected at 28.5 to 30.5 cents per pound, up 1 cent on both ends of the range. Global oilseed production for 2006/07 is projected at a record 402.9 million tons, up 3.7 million tons from last month. Soybean production accounts for almost all of the change. Brazil soybean production is raised 1.8 million tons to a record 58.8 million tons based on higher yields, especially in southern states.

Soybean production is raised by a combined 2.3 million tons for Argentina and Paraguay. The Argentina crop is projected at a record 45.5 million tons, up 1.5 million tons from last month. Despite heavy rain that fell during the last week in March over much of the growing area, yields are projected record high at 2.88 tons per hectare. Soybean production is also up sharply for Paraguay based on excellent yield prospects. Other changes include higher soybean production for Brazil for the 2005/06 crop. The

crop is raised 2 million tons to 57 million tons reflecting reported crush and export data for the recently completed marketing year. Global oilseed ending stocks for 2006/07 are increased 3.4 million tons to 67.4 million tons. Most of the increase is due to higher South American soybean stocks, reflecting sharply higher projected production for both 2005/06 and 2006/07. Global vegetable oil stocks are reduced this month mainly due to reduced palm oil production for Indonesia.

Malaysian Palm Oil Exports Increase by 49.7% During April 1-10: SGS

SGS estimated Malaysian palm oil exports for April 1-10 highlighted palm oil exports sales increased by 49.7% at 431,121 metric tons (MT) against 288,038 MT during same

period in February while to India, palm oil exports totalled at 40,265 MT during April 1-10 against 2,900 MT during corresponding period in last month.

Palm oil Exports Increase by 30% in March: MPOB

Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for March month highlighted palm oil exports increased by 30% at 1.05 million metric tonne as compared to 809,533 metric tons in February month. Crude palm oil production in March month increased by 9.3% at

1.08 million metric tonne against 989,360 metric tonne in February month while stock by the end of March month dropped by 11% at 1.34 million MT against 1.49 million metric tons a month ago.

Total Oilseed Output decline by 17% in 2006/07

In third advance estimation by Union Agriculture Minister on oilseeds production in 2006/07 reflected total oilseeds production drop by 17% at 23.96 million tonne against 27.98 million tonne in second advance estimation. The Kharif output dropped by 17.2% at 13.88 million tonne while

Rabi output is expects to decline by 16.3% to 9.38 million tonne. Groundnut production affected severely by unfavorable conditions during sowing dropped significantly by 46.8% at 3.35 million tonne in Kharif season while for Rabi it projected to decline by 3.6% to 1.63 million tonne.

Edible oil Imports Drop Marginally by 3.18% During Nov-March

In first five months (November to March) in current oil year (Nov 06-Oct 07), edible oil import declined marginally by 3.18% at 1,401,071 metric tonnes (MT) against 1,447,157 MT a year ago. Crude palm oil imports increased by 39.75% at 1,019,330 MT against 729,395 MT during same

period last year while crude soy oil import declined by 58.76% at 218,442 MT against 529,712 MT during period under consideration. Sunflower oil import increased by 42.77% at 107,566 MT as compared to 75,344 MT same period last year.

Import Duty Reduce by 10% on Palm oil

Import duty on crude palm oil has been reduced by 10% to 50% against previous 60% while on refined palmolein it

reduced to 57.5% as compared to previous 67.5% while base import prices kept unchanged.

Custom Duty on Edible Oils Reduce

As part of its strategy to keep the prices of essential commodities under check, Government has moderated customs duty on edible oils in the past. In addition, the tariff values have also been kept frozen at July, 2006 levels.

Keeping in view the high prices of edible oils, Ministry of Finance, Government of India has decided to further reduce the customs duty on specified edible oils as under:

a) Crude palm oil, crude palmolein and other fractions of crude palm oil from 60% to 50%;

b) Refined Bleached Deodorized (RBD) palm oil, RBD palmolein and other refined palm oils from 67.5% to 57.5%;
c) Notification No.58/2007-Customs to this effect has been issued today by the Central Board of Excise and Customs. Reduction in customs duty will reduce the landed cost of these oils, and is expected to soften the domestic prices of edible oils. The tariff values for the palm group of oils will also continue to remain frozen at July, 2006 levels.

Source: PIB

Long-term Trend for Palm Oil Still Holds Firm

As per market observers, palm oil futures at BMD are trading weak on account of profit bookings; absence of fresh leads and thus failed to continue previous days up

trend. However, in long term the sentiments still hold bullish on account of good demand for biodiesel consumption and expectation of increase in imports by China and India.

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 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 EU, USA and India increased by 19.27%, 505.02% and 1288.45% respectively on improved demand compared to the corresponding period under review while China registered declined by 8.41%.

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

(Unit: MT)

Countries/Continents	April 1-10	March 1-10	Change %
European Union	97,501	81,745	+19.27
China	70,606	77,090	-8.41
United States	61,137	10,105	+505.02
India	40,265	2,900	+1288.45

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Government has reduced import duty on CPO and palmolein by 10% at 50% and 57.5% respectively against previous 60% and 67.5% respectively. Rising BMD crude palm oil futures, good demand coupled with sharp increase in crude palm oil CIF prices firmed up palm oil prices across domestic markets. In the midst of week BMD rose sharply and touched high since January 1999. In first five month of current oil year (Nov-Oct), crude palm oil import escalated by 39.75% at 1,019,330 MT against 729,395 MT a year ago. In current week, crude palm oil CIF prices increased by \$25 and remained between \$665-690 per metric tonne (MT) for April shipment. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates of palm oil for the period of April 1-10, 2007 totaled at 431,121 MT, increased

by 49.7% against 288,038 MT corresponding period in March month. Malaysian palm oil exports to India also increased by 12.88% at 40,265 MT against 2,990 MT during same period under review. Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for March month shown palm oil exports increased by 30% at 1.05 million metric tonne as compared to 809,533 metric tons in February month. Crude palm oil production increased by 9.3% at 1.08 million metric tonne against 989,360 metric tonne in February month while stock by the end of March month dropped by 11% at 1.34 million MT against 1.49 million metric tons a month ago. Declining crude palm oil stock in Malaysia and Indonesia, with rising demand is likely to support palm oil prices ahead.

Weekly Crude Palm Oil CIF prices of CPO**(Rs/ 10 kg)**

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Kandla& Mumbai	665	680	690	690	700	NA

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

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Kandla	421	422	430	427	430	425

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

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Kandla +VAT	436	444	442	447	450	450
Mumbai +VAT	447	450	455	452	458	460
Chennai +VAT	452	454	455	455	456	457
Kakinada +VAT	NA	440	442	445	445	445
Hyderabad +VAT	455	460	460	460	460	460
Delhi	470	470	470	470	470	NA

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

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
CPO	627	627	NA	667	657	667
RBD Palmolein	652	657	NA	677	680	692

MC: Market Closed**Soybean Complex**

As per market news, the Finance Minister in consultation with the Prime Minister stated for contemplating for a likely cut in import tariff of edible oils besides increasing base import prices of edible oils to contain revenue losses. Finally, Centre has reduced the import duty on CPO to 50% from earlier 60% whereas duty on RBM Palmolein has reduced to 57.5% from earlier duty of 67.5%. Tracking overseas sentiments, the week started with firm note, traded weak during midweek and settled steady by weekend. Amidst anxiety over the news of reduction of import duty on edible oil and its distribution through Public Distribution System [PDS], the soy complex traded weak during midweek. Apprehensions came to settle across marketing circles on Thursday, when cabinet committee didn't take any decision on duty structure of edible oils. Steady to weak sentiments for soymeal at ports couldn't provide enough support to soybean prices through out the week. However, mostly firm palm oil in overseas, supported underlying bearishness in soy complex. Harvest pressure of soybean in South America coupled with higher ending

stocks of soybean in World [USDA report] prevented soymeal to firm up. Arrivals stood between 35,000 to 60,000 bags. Rates of soybean across spot markets and plants varied from Rs 1480 to Rs 1620/qrtl and Rs 1540 to Rs 1670/qrtl respectively. In Indore market refined soy oil traded between Rs. 455-460 per 10kg. CIF prices of crude soybean oil increased by weekend and traded between \$710- \$735 per tonne for April shipment. The 3rd Advance estimate for soybean production [Kharif] was pegged at 8.67 MMT against the final estimate of 8.27 MMT made during 2005-06. As per officially released report by Solvent Extractors Association of India, in first five months (Nov-March) in current oil year (Nov 06-Oct 07), crude soy oil import declined by 58.76% at 218,442 MT against 529,712 MT during the same period last year. Palm Oil import share has gone up to 77% compared to 57% for the same period of last year. Soybean Oil import reduced to 218,442 tons (16%) in Nov-06 to Mar-07 compared to 529,712 tons (37%) during the same period of last year.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Mumbai +VAT	458	459	460	462	464	468
Indore +VAT	460	456	455	456	458	460
Kota +VAT	464	464	463	463	467	470
Jaipur +VAT	467	467	467	467	470	473
Hyderabad +VAT	477	475	475	475	475	475
Chennai +VAT	483	483	483	483	483	NA
Rajkot +VAT	450	450	451	452	452	457

MC: Market Closed

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Mumbai	442	440	440	443	443	450

Rise In Crude Soy oil CIF during the week

(US \$/ MT)

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Kandla & Mumbai	715	710	720	726	735	745

Mustard Complex

The Centre's decision of reduction in import duty of CPO and RMD Palmolein to 50% and 57.5% respectively is likely to induce bearishness across spot markets. Spot markets were looking for direction until NAFED re-started seed procurement in Rajasthan. Spot market prices of seeds in Jaipur ruled higher in comparison to prevailing rates at other spot markets. Prices of mustard seeds remained firm throughout the week amidst good offtake by NAFED, Rajasthan State Oilseed Association [RSOA], millers and steady decline in arrivals. Rates for conditional and Non-conditional seeds varied from Rs 1910 to 2175 per qtl and Rs 1750 to 1850 per qtl respectively. Arrivals declined from 3.5 lakh bags on Monday to 3 lakh bags on Friday. However, expeller oil traded slightly weak during midweek

tracking soybean oil on apprehension of duty cut in edible oils. Stockists remained active in mustard oil buying for lean season, which becomes evident as prices of mustard oil stood firm between Rs. 440-445 per 10kg at Kota market. The 3rd Advance estimate for rapeseed-mustard production [Rabi] was slated at 6.69 MMT against the final estimate of 8.13 MMT made during 2005-06. As per official sources, NAFED has procured around 21,000 to 21,500 MT of seeds as on Thursday, surpassing previous weeks procurement of 19,500 to 20,000 MT. Trade activity of expeller in UP was dull on Friday on account of start of second phase of Assembly elections in 58 constituencies of ten districts of Agra, Meerut and Saharanpur divisions.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Mumbai + VAT	455	451	452	452	457	464
Kota +VAT	435	432	432	435	435	442
Jaipur +VAT	440	440	440	444	445	452
Delhi	455	455	456	465	465	465
Neewai +VAT	435	435	433	442	442	444

Groundnut Complex

Groundnut oil prices showed the mixed trend during the week on stagnant demand and relative difference in spot prices with cottonseeds oil, which took away the gain from groundnut oil. Slow progress for Rabi groundnut harvest in Tamil Nadu region cushioned the weakness to certain extent. Improving harvest prospective for Rabi groundnut in Gujarat induced stockists to release their stock at cheaper prices to limit their losses. This supported crushing margin for groundnut oil. In third advance estimation by Union Agriculture Minister highlighted Kharif oilseeds output

dropped by 17.2% at 13.88 million tonne while Rabi output is expects to decline by 16.3% to 9.38 million tonne. Groundnut production affected severely by unfavorable conditions during sowing dropped significantly by 46.8% at 3.35 million tonne in Kharif season while for Rabi it projected to decline by 3.6% to 1.63 million tonne. In Rajkot market shelled groundnut sold between Rs. 410-430 per 20 kg (bag) with arrivals between 4,000-12,000 bags while groundnut oil prices stood at Rs. 665-670 per 10 kg during the week.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Mumbai +VAT	590	585	585	580	582	585
Rajkot +VAT	667	665	665	670	670	680
Andhra Region	NA	695	695	695	695	695
Chennai +VAT	620	625	625	620	615	NA
Delhi	690	690	690	690	690	695

Sunflower Oil

Good stock position of sunflower oil domestically with stagnant demand results range bound prices with slightly undertone. Trade activities remained low on Saturday on Ambedkar Jayanti. Sunflower oil import increased in first five month in current oil year by 42.77% at 107,566 MT against 75,344 MT same period a year ago. Sunflower

seeds arrivals remained steady during the week. CIF prices showed abrupt movement in prices and improved towards weekend. Traders are expecting sunflower oil prices is likely to followed other edible oil even demand is stagnant in near-term.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Mumbai +VAT	535	532	532	532	532	530
Chennai +VAT	536	536	542	542	540	NA
Hyderabad +VAT	535	535	535	535	535	535

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Kandla & Mumbai	740	723	NA	745	750	750

Refined Cotton Oil

Cotton oil prices improved during the week on improved demand with bullish support from groundnut oil as both share same market. From last 2-3 month cotton meal prices rose sharply, which had underlying support. Declining

crushing margin for cotton oil with little shortage remained a bullish factor. Trades are expecting cotton oil is likely to follow groundnut oil ahead.

Prices for Refined Cotton Oil during this week

Markets	09.04.07	10.04.07	11.04.07	12.04.07	13.04.07	14.04.07
Mumbai +VAT	462	462	465	464	467	464

Hyderabad +VAT	470	465	465	465	465	465
Rajkot +VAT	452	452	457	458	460	465
Delhi	455	455	452	458	455	460

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

CBOT Soy Futures Settle Mixed

Soy futures settled mixed at CBOT. May Soybeans finished 0.25 cents down at \$271.1412 per MT. July Soybeans closed 1.5 cents down at \$ 277.387 per MT. May Soymeal closed \$ 1.6 down at \$219.6884 per MT. May Soybean Oil finished 0.32 up at \$ 726.6588 per MT. Soy futures settled mixed at Chicago Board of Trade. Continued technical

selling cast weakness early in the session but bounce back in other related commodities cushioned the weakness. Overnight surge in palm oil with India reduction on palm oil duty sparked ideas good import in coming days supported soy oil. Soy oil also borrowed support from rise in crude oil prices.

BMD Crude Palm oil Futures Upsurge

Crude palm oil futures finished up at Bursa Malaysia Derivative on improved prospective for long-term demand and market breached psychological barrier of MYR 2,200 ignoring overnight weak soy oil futures at CBOT. The most

active June contract of CPO futures rose sharply by MYR44 at MYR2,219 per metric tonne. MPOB estimation on low palm oil production in Malaysia also fuelled bullish sentiments.

WEEKLY WEATHER WATCH

FORECAST FOR NEXT 5 DAYS

Yesterday's low pressure area, at present lies near Sri Lanka over southwest Bay of Bengal. Model prediction suggests that under its influence scattered rain/thundershower are likely over extreme south peninsula during next 2-3 days. Predictions suggest that fairly widespread rain/thundershowers are likely to continue over northeastern states with isolated heavy falls over Assam, Meghalaya, Nagaland, Manipur, Mizoram and Tripura during next 24 hours. And reduce thereafter. · As model prediction suggested, heat wave conditions extended over some more parts of Rajasthan and Haryana. Similar situation is likely to prevail during next 2-3 days. Models predictions suggest that a weak western disturbance is likely to approach J&K and H.P. around 18th April07.

NORTH & NORTH-WEST INDIA: Mainly dry weather is likely over the region. Day and night temperatures are likely to rise marginally over region during next 3-4 days

EAST AND NE INDIA: Fairly widespread rain/thundershowers are likely over NE states during next 24 -36 Hrs.

CENTRAL INDIA: Mainly dry weather is likely over the region during next 3-4 days. Day and night temperatures are likely to rise during next 3days.

SOUTH INDIA: Scattered rain/thundershowers are likely over south Tamilnadu, Kerala, Lakshadweep during next 2-3 days. Mainly dry weather is likely over the rest of the region.

WEST INDIA: Mainly dry weather is likely over the region. Day and night temperatures are likely to rise over region during next 3-4 days.

ZONE-WISE WEATHER FORECAST

PORT WATCH

Port updates of edible oils in India (April 09-14, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	24,000	22,317	46,317
Palm oil	55,101	-	55,101
CFA	2,000	-	2,000
CDSBO	4,103	-	4,103
Total	24,000	22,317	46,317

Source: ANAS

Forex Rates:**(April 09, 2007)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	42.74
European Union	Euro	57.82
Japan	100 Yen	35.84
United Kingdom	Pound Sterling	84.74

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