

MAJOR WEEKLY HIGHLIGHTS

- Domestic News
- USDA Weekly Export Sales Highlights
- Major Importing Countries of Malaysia's Palm Oil
- SGS estimates: Malaysian Palm oil Export Sales Increase by 32.3% During April 1-20
- Weekly Weather Report
- Port Wise: Weekly Import of Vegoil

DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 283,500 MT improved from the previous week's marketing-year low, but were 5 percent below the prior 4-week average. The major buyers were Mexico (122,000 MT), Japan (60,500 MT), Taiwan (54,900 MT), and China (16,900 MT). Sales of 25,000 MT for delivery in 2007/08 were for South Korea. Exports of 476,800 MT

were 11 percent below the previous week and 20 percent under the prior 4-week average. The primary destinations were China (149,800 MT), Mexico (98,200 MT), Japan (75,200 MT), Indonesia (67,400 MT), and Taiwan (33,000 MT).

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 103,900 MT were 40 percent below the previous week and equal to the prior 4-week average. Increases were reported for Ecuador (20,000 MT), Peru (17,000 MT), Mexico (16,100 MT), the Dominican Republic (10,000 MT), and the Philippines (9,900 MT). Sales of 13,500 MT for delivery in 2007/08 were for Canada.

Exports of 82,500 MT were 43 percent below the prior week and 42 percent under the previous 4-week average. The primary destinations were Canada (32,900 MT), Mexico (21,200 MT), Japan (8,100 MT), and Panama (6,900 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 900 MT were primarily for Canada (300 MT), Mexico (200 MT), and Trinidad (200 MT). Exports of 5,500 MT were mainly to Guatemala (4,000 MT), Canada (700

MT), Mexico (500 MT), and Trinidad (200 MT). Source: - USDA.

Malaysian Palm Oil Exports Surge by 29.3% During April 1-15: SGS

The recent SGS estimation of Malaysian palm oil exports for the period of April 1-15 highlighted exports sales increased by 29.3% at 642,492 metric tons (MT) as compared to 496,977 MT during March 1-15. To India, palm

oil exports rose by 345.69% at 55,265 MT during April 1-15 against 12,400 MT during corresponding period in last month.

Malaysian Palm Oil Exports Increases by 32.3% During April 1-20: SGS

The recent SGS estimation of Malaysian palm oil exports for the period of April 1-20 highlighted exports increased by 32.3% at 789,644 metric tons (MT) as compared to 596,774

MT during March 1-20. To India, palm oil exports rose by 474.72% at 71,265 MT during April 1-20 against 12,400 MT during corresponding period in last month.

TARIFF VALUE OF EDIBLE OILS AND BRASS SCRAP NOTIFIED

Central Board of Excise and Customs (CBEC), Department of Revenue issued Notification no. 31/2007-Cus (N.T), here today, notifying tariff values of edible oils and brass scrap (all grades) as shown in the Table below. The tariff values

of six palm group oils and crude soyabean oil remain unchanged. However, tariff value of brass scrap (all grades) has been lowered.

"T A B L E"

S.No.	Chapter heading/ sub-heading	Description of goods	Tariff value US \$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e.no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580(i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	4343"

BSC/BY/GN-207/07

March NOPA Soybean Crush at 4 Million Metric Tonne

As per reports of NOPA, around 4 million metric tonne (MMT) of soybean were crushed during March, which came over trader's expectation. Oil stocks on March stood at 1.33 MMT against February's stock of 1.28 MMT. According to

the NOPA, member firms produced 3,519,783 tons of soybean meal, compared to 3,105,823 tons during February and 3,368,023 tons in March 2006.

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 1-20, 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 China, USA and India increased by 8.5%, 239.68% and 150.9% respectively on improved demand compared to the corresponding period under review while EU registered declined by 15.38%.

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

(Unit: MT)

Countries/Continents	April 1-20	March 1-20	Change %
European Union	143,031	169,024	-15.38
China	191,886	176,860	+8.50
United States	101,037	29,745	+239.68
India	68,245	27,200	+150.90

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

This week showed the mixed trends for palm oil prices domestically on stagnant demand with bearish tone on BMD CPO futures. In current week, crude palm oil CIF prices traded between \$710-740 per metric tonne for May shipment. Higher prices of CPO in Indonesia on good local and exports demand with delay in harvest of palms in western Indonesia amidst erratic weather pattern would lead to demand supply mismatch and supported bullishness. 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. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates of palm oil for the period of April 1-20, 2007 totaled at 789,644 MT, increased by 32.3% against 596,774 MT corresponding period in March month. Malaysian palm oil exports to India also rose sharply by 150.9% at 68,245 MT against 27,200 MT during same period under consideration. Malaysia's exports are picking up after months of slowdown because of strong demand from the world's top buyers, China and India. The very factor would provide underlying support to prices of edible oil in near future.

Weekly Crude Palm Oil CIF prices of CPO

(Rs/ 10 kg)

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Kandla& Mumbai	NA	735	740	710	727	740

Weekly prices for CPO

(Rs/ 10 kg)

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Kandla	424	424	417	416	423	428

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Kandla +VAT	452	450	446	449	448	453
Mumbai +VAT	463	461	456	457	456	458
Chennai +VAT	458	458	460	460	458	460
Kakinada +VAT	443	445	435	440	438	440
Hyderabad +VAT	457	460	456	457	458	459
Delhi	470	480	480	485	484	495

MC: Market Closed

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

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
CPO	667	677	677	NA	687	690
RBD Palmolein	707	707	700	NA	710	707

MC: Market Closed**Soybean Oil**

Spot prices of refined soy oil witnessed continuous weakness though out the week amidst sluggish demand, dull trade activities coupled with mostly bearish BMD CPO futures. As per reports of NOPA, USA has been crushed soybeans nearly 4 million metric tonne (MMT) during March (with in trade expectations). Soy oil stocks in March stood at 1.33 MMT against February's stock of 1.28 MMT. The recent heavy rainfall and flood conditions in Argentina

propelled the possibility of increased moisture content with poor quality of soybeans. In Indore market refined soy oil traded between Rs. 456-465 per 10kg. CIF prices of crude soybean oil traded between \$724- \$745 per tonne for May shipment. As per market reports so far 3 lakh tonne contracted have been made for imported soybean oil and first consignment of is expects to arrive in May.

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

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Mumbai +VAT	468	468	466	464	463	465
Indore +VAT	463	459	456	465	463	463
Kota +VAT	470	470	465	465	464	464
Jaipur +VAT	474	474	470	468	467	467
Hyderabad +VAT	475	475	470	475	475	480
Chennai +VAT	490	490	NA	490	490	490
Rajkot +VAT	457	458	456	465	465	465

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

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Mumbai	450	445	437	NA	442	445

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

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Kandla & Mumbai	745	745	738	724	738	751

Mustard Oil

Prices of mustard seeds firmed up by end of week amidst improvement in demand for expeller oil in spot markets. Harvesting of seeds is almost complete in MP and Rajasthan, however it's yet to be complete in Haryana

regions. Rates for conditional and Non-conditional seeds surpassed previous weeks rates and varied from Rs 1925 to 2200 per qtl and Rs 1740 to 1860 per qtl respectively. Arrivals declined from 3 lakh bags on Monday to 2 lakh

bags on Friday. Prices of mustard oil stood firm between Rs. 442-445 per 10kg at Kota market. Trade activity remained slightly sluggish across spot markets on Tuesday on account of Amavasya and remained dull in UP during initial half of the week on account of assembly elections. During first three weeks of April, prices of conditional and Non-conditional [C & NC] continued to stay firm and daily average arrivals declined to 1.5 to 2.5 lakh bags as compared to previous months average daily arrivals of 2.5 to 3.5 lakh bags. Despite good harvest, arrivals declined gradually indicating significant stockpiling of seeds by private traders, as NAFED still lags behind its pre-set target of procuring around 55 to 60 thousand MT. Market sources expect procurement of around 1.5 lakh to 2 lakh tonnes. As

per trade sources, NAFED has been reported to be procuring seeds in different parts of Rajasthan. In Kota regions, NAFED managed to procure seeds at Rs 1780 to 1800 per qtl [Non-conditional] despite higher ruling prices. Though farmers have hoarded seeds in anticipation of getting better prices but they have to dispose off early, as seeds can't be kept for long in fields as it leads to shattering of grains. Active buying by millers and tight stock position is likely to keep prices of seeds mostly firm in near term unless supply pressure exceeds demand. Looking at the policy measures, the preference for use of imported edible oil against domestic production by slashing import duty on edible oils is seen as diversion for cheaper and ready available oils.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Mumbai + VAT	467	468	466	460	471	471
Kota +VAT	443	445	445	442	445	445
Jaipur +VAT	452	457	457	453	453	455
Delhi	470	465	455	455	460	460
Neewai +VAT	444	444	437	436	NA	440

Groundnut Oil

Poor demand and low crushing margin depressed groundnut oil prices in domestic markets while Delhi market improved amidst exceeding demand to supply. Due to relative difference with cottonseeds oil both in crushing margin and prices, pressured groundnut oil. Report of groundnut seeds harvest is over in Chennai region while come to nearly end in other parts of Tamil Nadu. As per market reports Rabi groundnut harvest in Gujarat regions is

expected to arrive by beginning of 3rd week of May month. In Rajkot market shelled groundnut sold between Rs. 515-540 per 20 kg (bag) with arrivals between 3,000-8,000 bags while groundnut oil prices stood at Rs. 682-690 per 10 kg during the week. With harvest progress Rabi groundnut seeds in Karnataka, Andhra Pradesh and Maharashtra with tapering quality seeds stock in Rajkot markets is likely to produce mixed reaction for groundnut oil in near-terms.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Mumbai +VAT	585	585	585	NA	580	580
Rajkot +VAT	685	690	685	683	682	685
Andhra Region	695	690	690	690	690	690
Chennai +VAT	610	615	630	620	610	620
Delhi	695	695	698	705	705	710

Sunflower Oil

Refined sunflower oil prices traded undertone domestically on sluggish demand and dull trade activities. Sunflower seeds arrivals remained steady during the week. CIF prices also showed little movement in prices and remained range

bound towards weekend and traded in between \$750-753 per tonne for May shipment during the week. 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	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Mumbai +VAT	530	533	533	532	528	528
Chennai +VAT	545	545	545	545	540	NA
Hyderabad +VAT	525	525	525	535	525	525

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

Center	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Kandla & Mumbai	750	753	753	758	753	753

Refined Cotton Oil

Cotton oil prices improved during the week on improved demand with bullish support from other edible oil in domestic markets. Steady meal demand with declining

crushing margin for cottonseeds oil supported bullishness. Trades are expecting cotton oil is likely to follow groundnut oil in near-futures.

Prices for Refined Cotton Oil during this week

Markets	16.04.07	17.04.07	18.04.07	19.04.07	20.04.07	21.04.07
Mumbai +VAT	472	472	468	465	472	472
Hyderabad +VAT	470	470	464	467	465	472
Rajkot +VAT	470	472	465	470	470	472
Delhi	460	457	450	455	458	462

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

July Soybeans finished up at 5.25 cents at \$271.87 per MT. November Soybeans closed up at 5.5 cents at \$ 281.79 per MT. July Soymeal closed down at \$ 1.1 down at \$222.77 per MT. July Soybean Oil finished up 0.76 at \$ 725.32/MT.

Prospects of good weather in US for corn planting, strength in wheat market and weak dollar were seen as factors supporting soybeans. On export front, Taiwan is likely to place orders for import of US soybean and corn combined.

BMD Crude Palm oil Succumb on Profit taking

Below expected exports figures coupled with profit taking directed CPO futures to bearish note on Friday at Bursa Malaysian Derivatives. The most active July contract of CPO futures dropped MYR 48 at MYR2,182 per metric tonne. Friday, SGS estimated Malaysian palm oil exports

for the period of April 1-20, highlighted exports increased by 32.3% at 789,644 metric tons (MT) as compared to 596,774 MT during March1-20. Ideas of markets reached upsurge in quick succession with reluctance of traders to hold long position reacted in profit taking.

WEEKLY WEATHER WATCH**FORECAST FOR NEXT 5 DAYS**

At present heat wave conditions are prevailing over some parts of Rajasthan and west M.P. Model suggest that heat waves are likely to develop over parts of east, central and some more parts of northwest India during next 3-4 days.

Model prediction suggest that scattered to fairly widespread rain/thundershower with isolated heavy falls are likely over northeastern States during next 3-4 days. Isolated to scattered rain/thundershower is likely over eastern parts of

India during next 2-3days. Models predictions suggest that a low-pressure area may develop over southeast Bay of Bengal around 24th April and move in westward direction.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Mainly dry weather is likely over the region. Day temperature are likely to rise causing heat wave conditions over parts of Punjab, Haryana including over Delhi, west U.P. during next 3-4 days.

EAST AND NE INDIA: Isolated to scattered rain/thundershowers are likely over Jharkhand, West

Bengal during next 2-3 days. Scattered to fairly widespread thundershower are likely over NE States during next 2-3 days.

CENTRAL INDIA: Isolated thundershower is likely over Chhattisgarh during next 24-48 hrs. Day temperature is likely to rise over Madhya Pradesh after 24-48 hrs.

SOUTH INDIA: Isolated rain/thundershowers are likely over the region.

WEST INDIA: Isolated rain/thundershowers are likely over Konkan & Goa, Madhya Maharashtra and Marathwada. Mainly dry weather is likely over the region. Day temperatures are likely to rise over Rajasthan and Gujarat causing heat wave conditions during next 2-3 days.

PORT WATCH

Port updates of edible oils in India (April 16-21, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	29,610	37,406	67,016
Palm oil	19,500	15,101	34,601
CFA	8,000	-	8000
CDSBO	2,000	-	2,000
Total	59,110	52,507	1,11,617

Source: ANAS

Forex Rates:

(April 21, 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	41.98
European Union	Euro	57.06
Japan	100 Yen	35.38
United Kingdom	Pound Sterling	84.16

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.