

## MAJOR WEEKLY HIGHLIGHTS

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## DOMESTIC & INTERNATIONAL NEWS

### USDA Weekly Export Sales Highlights for Soybean

Net sales reductions of 70,700 MT--a marketing-year low--resulted as increases for Mexico (100,400 MT), Japan (55,200 MT), unknown destinations (44,500 MT), Indonesia (38,000 MT), and Taiwan (33,800 MT), were more than offset by net decreases for China (354,900 MT--all switched to 2007/08). Net sales of 542,000 MT for delivery in 2007/08 were for China (302,000 MT, including decreases

of 66,400 MT), Mexico (180,000 MT), and Belgium (60,000 MT). Exports of 431,300 MT were 5 percent below the previous week and 23 percent under the prior 4-week average. The primary destinations were China (132,800 MT), Mexico (107,200 MT), Indonesia (69,200 MT), and Turkey (55,800 MT). Source: USDA

### USDA Weekly Export Sales Highlights for Soy meal

Net sales of 119,100 MT were 21 percent below the previous week and 13 percent under the prior 4-week average. Increases for Chile (23,500 MT), Japan (22,700 MT), Algeria (19,500 MT, including 18,000 MT switched from unknown destinations), Mexico (17,100 MT), Morocco (15,000 MT), and the Philippines (13,100 MT), were partially offset by decreases for unknown destinations (18,000 MT) and Guatemala (5,900 MT). Sales of 5,300

MT for delivery in 2007/08 were mainly for Jamaica (5,000 MT). Exports of 161,300 MT were 10 percent above the prior week and 13 percent over the previous 4-week average. The primary destinations were Mexico (32,000 MT), Chile (23,500 MT), Canada (22,500 MT), Cuba (20,700 MT), Algeria (19,500 MT), and the Dominican Republic (15,100 MT). Source: USDA

### USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 3,500 MT were primarily for Panama (2,500 MT), Barbados (700 MT), and Canada (300 MT). Exports

of 12,100 MT were mainly to Cuba (8,000 MT), Panama (2,000 MT), and Mexico (1,300 MT). Source: USDA

### Malaysian Palm Oil Exports Increase by 13.3% During April: SGS

The recent SGS estimation of Malaysian palm oil exports for the month of April highlighted exports rise by 13.3% at 1,131,100 metric tons (MT) as compared to 998,759 MT

during March while to India, palm oil exports increased by 710.52% at 100,505 MT during April against 12,400 MT during corresponding period a month ago.

### Argentina Soybeans Stock Drop by 40.16% in March

The National Office for the Control of Agricultural Trade release grain stock data in March month highlighted total grain stocks dropped by 10% at 17.23 million metric tons in March as compared to 19.21 million metric tons same period last year. Soybeans stocks dropped significantly by

40.16% at 3,365,755 metric tons in March month against 5,624,746 metric tons same period a year ago while sunflower seeds stock plunged by 33.47% at 1,373,709 metric tons in March month in comparison to 2,064,823 metric tons March 2006.

### Brazil Soybeans and Soy oil Exports Increase in April

Brazilian Foreign Trade Ministry released soybeans exports data for April month totaled at 3.2 million metric tons in comparison to 2 million metric tons in March and 2.9 million metric tons in same period a year ago. Soy oil exports were

stood at 153,600 metric tons in April against 102,800 metric tons in April 2006. Brazil shipped on daily basis decreased by 5.13% at 153,600 metric tonne in April against 161,900 same period a year ago.

### Argentina Soybeans Crush Rise by 4% in March: Agriculture Secretariat

Agriculture Secretariat of Argentina highlighted soybeans crush in March month rose by 4% at 2,362,293 metric tons against 2,272,583 metric tons same period a year ago. Soy

oil production increased by 5.38% at 457,221 metric tons in March as compared to 433,878 metric tons in March 2006.

### Argentina Sunflower Seeds Crush Drop by 6.73% in March

Agriculture Secretariat of Argentina highlighted sunflower seeds crush dropped in March month by 6.73% at 521,222 metric tons against 558,842 metric tons same period a year

ago. Sunflower oil production plunged by 12.08% at 209,053 metric tons in March as compared to 237,774 metric 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 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 and India increased by 135.83% and 710.52% respectively on improved demand compared to the corresponding period under review while EU and China registered drop by 12.69% and 19.22% respectively.

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

(Unit: MT)

Countries/Continents	April	March	Change %
European Union	240,387	275,318	-12.69
China	248,880	308,085	-19.22
United States	127,807	54,195	+135.83
India	100,505	12,400	+710.52

Source: SGS (Malaysia) Bhd.

## DOMESTIC MARKET ANALYSIS

### Palm Oil

Spot prices of palm oil recouped and continue to rule bullish in major trading centers amidst improved demand and bullish tone in BMD CPO futures amidst bullish talk on strong exports and tight supply in Malaysia. Under the light of revenue losses, government on Friday continued the freeze import duty on edible oil and base import prices. In current week, crude palm oil CIF prices traded between \$735-750 per metric tonne for May shipment. A cargo surveyor SGS (Malaysia) Bhd. released export sales estimates of palm oil for the period of April, 2007 totaled at 1,131,100 MT, increased by 13.3% against 998,759 MT in

last month. Malaysian palm oil exports to India also rose sharply by 710.52% at 100,505 MT during April against 12,400 MT during same period a month ago. Forecast of showers and thunderstorms in western Indonesia and southern Malaysia would affect the palm oil production there. As the currently high prices of palm oil in Malaysia coupled with likely weak demand of Europe amidst overcapacity of biodiesel and competitive prices of soy oil in USA would tend to pressure palm oil futures on BMD ahead.

### Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Kandla& Mumbai	735	740	740	750	735	NA

### Weekly prices for CPO

(Rs/ 10 kg)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Kandla	420	420	417	420	420	418

### Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Kandla +VAT	445	445	445	450	448	447
Mumbai +VAT	459	MC	458	460	458	458
Chennai +VAT	460	MC	460	461	464	463
Kakinada +VAT	438	MC	438	442	442	442
Hyderabad +VAT	458	MC	457	460	460	460
Delhi	490	490	490	490	490	490

MC: Market Closed

### Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
CPO	697	MC	NA	697	710	710
RBD Palmolein	717	MC	NA	722	735	735

MC: Market Closed

## Soybean Complex

The oilseeds production is estimated to decline by 17 per cent this year to 23.30 million tonnes compared with 28 million tonnes last year, according to the third advance estimates of the Central government. However, soybean production in India and across globe would surpass previous years production. Amidst Centre's decision to freeze tariff value on imported oils and keep base import prices for edible oils unchanged; rates of soybean and soybean oil continued to remain firm throughout the week. However, weak sentiments for soymeal in domestic and overseas couldn't provide support to prices of beans. Total average daily arrivals during this week declined to 20,000 to 30,000 bags. Rates of soybean across spot markets and plants declined to Rs 1450 to Rs 1550/qrtl and Rs 1490 to Rs 1640/qrtl respectively. In Indore market refined soy oil traded between Rs. 462-466 per 10kg. In Indore market

refined soy oil traded firm between Rs. 467-473 per 10kg. Crude soy oil CIF price stood between \$750-757 per tonne for May shipment. Since domestic oilseed production meets half of the nations requirements, surge in import of palm and soy oil is imperative to meet domestic consumption. Value of Indian Rupees, imported prices of palm oil vis-à-vis soy oil would decide market share of either of the oils. Palm oil supply may fall short of demand on account of demand not only from India but from other nations as well. In overseas markets, US soybean is likely to gain on export front on account of cheaper oceanic freight rates, good planting progress of corn in US & China, good import demand from China and Mexico, slower harvest progress in Argentina. With opening of Chinese markets from 8th of May, soy complex may witness fresh leads. Chinese markets will be closed May 1-7 for the Labor Day holiday.

### Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Mumbai +VAT	468	MC	468	472	475	474
Indore +VAT	467	471	470	473	473	472
Kota +VAT	468	468	468	468	470	470
Jaipur +VAT	472	472	472	472	472	474
Hyderabad +VAT	480	MC	482	485	485	485
Chennai +VAT	480	MC	487	486	484	484
Rajkot +VAT	465	460	460	460	460	460

MC: Market Closed

### Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Mumbai	445	NA	453	453	450	450

### Rise in Crude Soy oil CIF during the week

(US \$/ MT)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Kandla & Mumbai	757	750	757	754	754	751

## Mustard Complex

The oilseeds production is estimated to decline by 17 per cent this year to 23.30 million tonnes compared with 28 million tonnes last year, according to the third advance estimates of the Central government. Edible oil sentiments for mustard expeller oil remained almost steady as Centre announced freeze on tariff value of imported oils. Demand for expeller from retailer's end continued to hold firm. Prices of mustard oil in Kota market stood steady at Rs.437 to 440 per 10 Kg. Rates for conditional seeds stood at Rs 1920 to 2200 per quintal similar to previous weeks levels whereas rates for Non-conditional seeds firmed up to Rs 1775 to

1890 per quintal. Arrivals daily declined to 1.5 to 1.6 lakh bags from previous week's average arrivals of 2.25 lakh bags. Major crop from Rajasthan, MP and Gujarat has already been harvested and major stocks are held up with private traders. The decision of Centre to keep base import prices of soy and palm oil unchanged didn't had any significant spill mover affect on trade of rapeseed expeller oil, however, trade of mustard seeds across domestic exchanges closely follows up sentiment for soy complex. Prices for mustards seeds and oil; in medium term would rely on prices of substitute edible oil and magnitude of

imported oils in ensuing months besides amount of seed inventories with farmers' cooperatives in Centre and other

state cooperatives. NAFED's procurement drive remained dull.

#### Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Mumbai + VAT	470	MC	468	468	470	466
Kota +VAT	440	440	440	437	437	437
Jaipur +VAT	450	450	450	447	447	447
Delhi	455	462	455	462	457	450
Neewai +VAT	437	437	437	435	435	435

#### Groundnut Oil

Competitive cottonseeds oil and sluggish demand continued to push back groundnut oil in most of trading centers. As per market sources, harvest of Rabi groundnut has started in parts of Gujarat. Sensing that abound groundnut availability in the markets in approaching days, stockists maintained the daily arrivals around 10,000-11,000 bags prior to empty out their inventories for new groundnut. On the other hand, sluggish demand of groundnut meal domestically and ports aided the pressure on groundnut oil. Under low crushing margins and weak

demand for groundnut oil, expeller remained disinterest for raise crushing. Arrivals of groundnut seeds in Rajkot markets stood between 9,000-14,000 bags. In Rajkot market shelled groundnut sold between Rs. 490-520 per 20 kg (bag), while groundnut oil prices stood between Rs. 660-675 per 10 kg during the week. Continue weak demand with speed up of groundnut harvest on currently supportive weather conditions is likely to pressure the groundnut oil in Rajkot and other trading centers in short-term.

#### Prices for groundnut oil during the week

(Rs/10 kg)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Mumbai +VAT	645	MC	640	640	640	635
Rajkot +VAT	675	665	662	660	670	670
Andhra Region	685	MC	685	692	692	685
Chennai +VAT	600	MC	600	600	610	610
Delhi	705	705	700	700	700	680

#### 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. CIF prices of sunflower oil improved during the week and traded in

between \$780-795 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	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Mumbai +VAT	525	MC	525	525	527	525
Chennai +VAT	535	MC	535	530	535	535
Hyderabad +VAT	535	MC	535	535	535	535

## Prices for CIF Sunflower during the week

(US \$/ MT)

Center	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Kandla & Mumbai	780	NA	789	787	795	785

## 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	30.04.07	01.05.07	02.05.07	03.05.07	04.05.07	05.05.07
Mumbai +VAT	475	MC	474	476	475	480
Hyderabad +VAT	470	MC	475	475	475	475
Rajkot +VAT	468	466	467	446	464	465
Delhi	462	465	462	460	462	460

## INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

### CBOT Soy Futures Finish Mixed on Friday

Soy futures settled mixed on Chicago Board of Trades on Friday. July Soybeans finished 0.25 cents down at \$274.6315 per MT. November Soybeans closed 0.5 cents down at \$ 285.1943 per MT. July Soymeal ended 1.9 up at \$223.2158 per MT. July Soybean Oil settled 0.46 down at \$ 731.0668 per MT. Continued technical selling and apprehension of delay plantation of corn could translate

acreage to soybeans helped pressured the soy futures. Attention for corn on Friday with low buying interest in soybeans restricted the weakness. The tailing harvest of soybeans in Brazil is expected to delay on forecast of rain. Weakness in crude oil prices aided the pressure on soy complex.

### BMD Crude Palm oil Futures Ends Weak on Friday

Profit-taking for Thursday rallies with diminishing yesterday talk of strong exports of palm oil made by senior analyst in an industrial conference in Indonesia, pushed down crude palm oil futures on Friday. The most active July contract of

CPO futures dropped by MYR11 at MYR2,288 per tonne against Thursday's closing level of MYR2,299 per tonne. The overnight firmness in CBOT soy oil futures limited the losses to certain extent.

## WEEKLY WEATHER WATCH

### FORECAST FOR NEXT 5 DAYS

Yesterday's well marked low pressure area over north Andaman Sea intensified into depression over the same area in the evening. Moving in a northerly direction, it lay centered at 0830 hours IST of today over east-central Bay of Bengal and adjoining north Andaman Sea, about 300 km north of Port Blair. The system is likely to move slowly in a north-northeasterly direction and cross Arkan coast of Myanmar by tomorrow, the 5th May 2007 morning. Under its influence, widespread rainfall with isolated heavy falls are likely over Andaman & Nicobar Islands during 36 hours.

Model prediction suggests that isolated to scattered rain/thundershowers activity over Western Himalayan region, adjoining plains of northwest India and East Uttar Pradesh during next 2 days. Consequently, day temperatures are likely to remain near normal over plains of northwest India and adjoining east India during the same period. A western disturbance is likely to affect J&K and adjoining region during 7-8 May07.

### ZONE-WISE WEATHER FORECAST

**NORTH & NORTH-WEST INDIA:** Scattered rain is likely over J&K and H.P. during 7-8 May and isolated thundershower over parts of adjoining plain viz. Punjab, Haryana and Delhi during 7-8th May.

**EAST AND NE INDIA:** Isolated rain/thundershower is likely over occur over BIHAR, JHARKHAND, WEST BENGAL, ORISSA and NE States next 24 Hrs. NE states, coastal Orissa and West Bengal are likely to receive scattered to fairly widespread thundershowers/rainfall during next 2-3 days.

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

**SOUTH INDIA:** Widespread with isolated heavy rain/thundershowers and squally winds are likely over Andman & Nicobar Islands during 24-36 Hrs and reduce thereafter. Isolated to scattered rain/thundershowers are likely Tamilnadu, Kerala, coastal Karnataka and coastal A.P. during next 2 days.

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

## PORT WATCH

Port updates of edible oils in India (April 30-May 05, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	45,090	43,105	88195
Palm oil	20,800	10,300	31100
CFA	2,000	0	2000
<b>Total</b>	<b>67,890</b>	<b>53,405</b>	<b>121295</b>

Source: ANAS

Forex Rates:

(May 05, 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.90
European Union	Euro	55.05
Japan	100 Yen	34.03
United Kingdom	Pound Sterling	81.51

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