

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 239,800 MT were 33 percent below the previous week and 15 percent under the prior 4-week average. Increases for Japan (75,200 MT), Mexico (69,200 MT), China (64,400 MT, including 55,000 MT switched from unknown destinations), and Taiwan (56,100 MT), were partially offset by decreases for unknown destinations

(55,000 MT). Sales of 8,100 MT for delivery in 2007/08 were for Japan. Exports of 411,500 MT were more than two and two-fifths times the week earlier and 87 percent over the prior 4-week average. The primary destinations were China (175,000 MT), Mexico (135,500 MT), and Japan (39,900 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 55,600 MT were 4 percent below the previous week and 34 percent under the prior 4-week average. The major buyers were the Philippines (13,200 MT), Canada (10,800 MT), Honduras (7,900 MT, including 7,000 MT switched from Guatemala), the Dominican Republic (7,000 MT), and Mexico (7,000 MT). Sales of 22,700 MT for

delivery in 2007/08 were for Canada. Exports of 82,900 MT were 49 percent below the prior week and 33 percent under the previous 4-week average. The primary destinations were Canada (25,600 MT), Mexico (19,200 MT), Peru (10,200 MT), and Honduras (7,500 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 29,100 MT were mainly for South Korea (22,900 MT, including new sales of 11,000 MT and 11,900 MT switched from unknown destinations), Mexico (2,600 MT), and the Dominican Republic (2,100 MT). Sales of

1,500 MT for delivery in 2007/08 were for Mexico. Exports of 20,100 MT were primarily for South Korea (11,900 MT), the Dominican Republic (6,100 MT), and Mexico (1,000 MT). Source: USDA

Malaysian Palm Oil Exports Down by 12.5% During June 1-25: SGS

As per SGS (a cargo surveyor) estimation, Malaysian palm oil exports sales during June 1-15 dropped by 12.5% at 835,758 metric tons (MT) against 952,648 MT during May

1-25. To India, palm oil exports fell significantly by 86.28% at 2,250 MT during June 1-25 as compared to 16,400 MT during corresponding period a month ago.

Argentina May Soybeans Crush Increase by 16%

In latest report, Agricultural Secretariat highlighted Argentina soybeans crush in May has increased by 16% at 3,437,457 tonnes against 2,961,181 tonnes same period

last year. May soy oil production totaled at 655,085 tonnes, increased by 17.18% against 559,017 tonnes same period a year ago.

US Soybeans Plantation Area is Likely to Drop at 64.1 Million Acres

Good demand of corn in global market for ethanol production, better profitability enticed soybeans producers to switch to corn as highlighted in USDA latest report.

Soybeans plantation area is estimates to reduce at 64.1 million acres from 67.1 million acres in March prediction.

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 June 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 by 37.01%, 10.73% and 86.28% respectively.

are as follows: Table 2 shows that import of Malaysia's palm oil to EU increased by 25.01% on improved demand compared to the corresponding period under review while China, USA and India registered drop in imports

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

(Unit: MT)

Countries/Continents	June 1-25	May 1-25	Change %
European Union	219,725	175,772	+25.01
China	192,980	306,379	-37.01
United States	89,677	100,460	-10.73
India	2,250	16,400	-86.28

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Despite firmness in other rival edible oil and recovery in BMD CPO futures towards weekend, spot prices of palm oil is continues to trade bearish on poor domestic demand combined with fears of oversupplies on current vessel position. Slower than expected exports demand, bearish exports data and steady palm oil production in June (traders expecting close to May month's production at 1.2 million tonnes) continues to push market BMD CPO futures into midst of week but market recovered later on profit-taking and gains in CBOT. The most active September

crude palm oil futures contract traded between MYR2,334-2,427 per tonne In current week, crude palm oil CIF prices for July shipment traded between \$742-772 per metric ton. A cargo surveyor SGS (Malaysia) Bhd. released estimation of Malaysian palm oil exports sales during June 1-25 dropped by 12.3% at 835,758 tonnes against 952,648 tonne same period a month ago while to India palm oil exports during June 1-25 dropped significantly by 86.28% at 2,250 tonne against 16,400 tonne same period last month.

Weekly Crude Palm Oil CIF prices of CPO**(US\$ / MT)**

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Kandla& Mumbai	NA	752	742	765	772	795

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

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Kandla	416	414	412	411	414	422

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

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Kandla +VAT	443	443	443	442	443	447
Mumbai +VAT	451	450	449	448	448	NA
Chennai +VAT	462	460	458	458	455	470
Kakinada +VAT	442	438	438	437	443	450
Hyderabad +VAT	472	470	468	468	470	470
Delhi	500	500	500	500	500	506

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

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
CPO	737	727	710	717	730	NA
RBD Palmolein	765	755	740	745	760	NA

MC: Market Closed**Soybean Complex**

Under assumption of timely sowing operation [June 30 to July 15] of rainfed soybeans and normal rainfall distribution, apprehension over its sowing progress and intended acreage [over central India] would fade away soon. Market sources state that sowing operations have started off in Ujjain dist of MP and are picking up well in other regions too. For Maharashtra regions, sowing operations are near completion by 6th of July. A good start for sowing may cast in temporary weakness in prices of soybean during first fortnight of July. During the week, the palm oil prices at BMD witnessed major corrections lending weak cues to soy oil trade sentiments at CBOT and domestic exchanges. Domestic soy meal prices seem to have consolidated on

global cues despite supportive demand from poultry and feed industry. At CBOT, mildly supportive census crush report for soybean during May and good export sales of soy oil by weekend and slowing-down of Argentine oilseed crushing's is likely to support US soy complex this week. At domestic front, the daily soybean arrivals improved to 40,000 to 45,000 bags from previous weeks 30,000 to 35,000 bags. For the same time period, the CIF prices for crude soy oil for July shipment firmed up to \$ 820-842/MT from previous weeks \$ 811-822 /MT. The soy oil prices in Indore market varied from Rs 465 to 468 /10 Kg. Prices of soybean across spot markets and plants stood at Rs1475-1610/qtl and Rs 1520-1645/qtl respectively.

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

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Mumbai +VAT	462	462	462	464	467	472
Indore +VAT	468	465	463	464	467	473
Kota +VAT	468	470	470	470	471	485
Jaipur +VAT	474	476	476	477	480	490
Hyderabad +VAT	485	482	482	482	492	510
Chennai +VAT	485	485	485	485	485	490
Rajkot +VAT	457	457	455	456	458	477

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

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Mumbai	441	440	440	441	441	NA

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

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Kandla & Mumbai	820	826	840	833	842	855

Mustard Complex

Despite rains over Rajasthan, daily arrivals didn't suffer a set back except for slight decline noticed by weekend. During the week, arrivals declined from 50,000 to 60,000 [till midweek] to 30,000 to 35,000 bags by weekend, with prices of Condition seeds holding firm at Rs 2080-2300/qrtl, while Non-Condition seeds stood steady at Rs 1860-1970/qrtl. Prices of mustard expeller oil in Kota firmed up to Rs 460-472/10 Kg from previous weeks Rs 445-460/10 Kg. Previous week, mustard complex stood immune to global cues. Since major seeds are stocked with private traders and are in strong hands, prices of seeds and expeller oil

stood firm on good buying support at prevailing price levels. At millers end, crushing of seeds at prevailing seed prices means lower realization which points towards seed/oil price adjustment in the near future. Amidst talks of importing edible oils, the time lag in import of substitute edible oils, lower production [Rabi 2006-07] coupled with tight stock position [seeds and oil] with traders would continue to underpin mustard complex. However, slight correction in seed prices is possible in the near term, before moving up further.

Prices for Rape Expeller Oil
(Rs/ 10 kg)

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Mumbai + VAT	492	490	485	492	492	NA
Kota +VAT	460	472	464	465	467	475
Jaipur +VAT	468	482	474	474	478	483
Delhi	500	493	493	502	505	506
Neewai +VAT	460	470	465	465	468	472

Groundnut Oil

Spot prices of groundnut oil is continues to trade bullish and reached Rs.750/10kg mark in major trading centers amidst poor availability of stocks and surge in quality groundnut seeds. As per government latest release, during May1-June 22 groundnut sowing has been planted in 253,000 hectare against 317,000 hectare same period a year ago. From 2002, groundnut area is continuous shrinking to 19 lakh hectares in 2006 but the Gujarat government is serious and is likely to put the best to increase in plantation by minimum

3 lakh hectares this year. According to trade sources, groundnut sowing in Gujarat is seen in 16-17 lakh hectares which is nearly 2 lakh less to last year figure. In Rajkot market groundnut oil prices traded between Rs. 740-770 per 10 kg during the week. The good demand of HPS groundnut seeds from Southeast countries and hold back of stocks with preferably sowing of cotton to groundnut is likely to support oil prices in coming day.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Mumbai +VAT	720	730	730	745	745	NA
Rajkot +VAT	740	745	750	760	770	775
Andhra Region	725	750	750	750	770	NA
Chennai +VAT	700	705	710	710	710	710
Delhi	700	750	750	750	750	750

Sunflower Oil

Firmness in rival edible oil, limited supplies, costlier crude oil prices are continuous to support refined sunflower oil across domestic markets. In latest report, Agricultural Secretariat highlighted Argentina sunflower seeds crush in May has dropped significantly by 39.85% at 256,293 tonnes against 426,113 tonnes same period last year. In May, sunflower seeds oil productions down by 39.57% at 102,646 tonnes, against 169,876 tonnes same period a year ago. The CIF prices of sunflower oil for July shipment remained in correction mode during the week traded in range of \$891-899per tonne. The fall in supplies of sunflower oil from major producing countries are likely to keep overseas markets of related commodity firm with spill over impact in domestic markets.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Mumbai +VAT	580	580	580	585	590	NA
Chennai +VAT	590	590	592	595	597	597
Hyderabad +VAT	595	600	600	600	620	630

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Kandla & Mumbai	891	894	NA	891	899	NA

Refined Cottonseeds Oil

Following gains of groundnut oil with delay monsoon supported refined cottonseeds prices domestically. With the rapid progress of monsoon, cotton sowing also paced up with expectation of increased in sowing area by 10% to last year 24 lack hectares. As per government latest figures highlighted Kharif cotton sowing during on June 29 seen up in 1.52 million hectares from 1.47 million hectares last year.

According to trade sources, cotton prices are likely to gains by 5-7% as global production output is expected to decline by 3% combined with expected increase in demand. As per traders refined cottonseeds oil prices are likely to trade steady to bullish on underlying firmness in rival edible oil and overseas market of related commodities.

Prices for Refined Cotton Oil during this week

Markets	25.06.07	26.06.07	27.06.07	28.06.07	29.06.07	30.06.07
Mumbai +VAT	482	484	484	490	497	NA
Hyderabad +VAT	482	480	485	485	495	505
Rajkot +VAT	493	497	498	503	505	520
Delhi	480	480	480	490	495	500

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

CBOT Soy Futures Finish Up

November Soybeans finished up 39.5 cents at \$ 323.67 per MT. August Soybeans closed up at 39.5 cents at \$ 314.12 per MT. December Soybean meal closed up at \$ 12.5 at \$ 265.10 per MT. December Soybean Oil finished up at 1.03 at \$ 835.77/MT. Overnight firmness in palm oil at BMD with concern of dry weather over Corn Belt coupled with USDA's indication that soybean acreage would decline considerably this year helped to see a major bounce in soy futures. The

USDA indicated that producers plan to plant 64.081 million acres as compared with trade estimate at 68 million acres and compared with the March USDA preliminary forecast of 67.14 million acres. June 1st stocks were pegged at 1.091 billion bushels, in line with trade expectations of 1.089 billion bushels (range 1.06-1.12) and compared with 991 million bushels last year.

BMD CPO Futures Increase Further Following CBOT

Expectation of increased in exports demand in coming days with strong gains in CBOT soy oil futures helped crude palm oil futures to continuous to rise on Friday on Bursa Malaysian Derivatives. The increased in buying interest

strengthened market and break to psychological barrier of MYR2,400 per tonne. The most active September contract of crude palm oil futures gained further MYR44 at MYR2,427 per tonne.

WEEKLY WEATHER WATCH

Yesterday's low pressure area over northwest Bay of Bengal off Orissa coast has concentrated into a well marked. The system is likely to intensified into a depression within next 12-24 hrs and move very slowly in a west-northwestward direction across Orissa, North A.P., and Chhattisgarh during next 2-3 days and extending further westward. Under its influence widespread rainfalls with scattered heavy to very heavy falls and isolated extremely heavy falls are likely over Orissa, north Andhra Pradesh, Chhattisgarh, Madhya Pradesh and Vidarbha during next 2-3 days and subsequently fairly widespread to widespread rain with isolated heavy to very heavy fall is expected over Vidarbha, konkan & Goa and Gujarat region. Northern limit of monsoon passes through lat. 25.0 °N/ long. 60.0 E°, lat. 25.0 °N/ long. 65.0 °E, Deesa, Idar, Hoshangabad, Pendra, Ambikapur, Varanasi, Sultanpur, Lucknow, Bareilly, Ambala and Amritsar as of yesterday. Conditions are favorable for further advancement of monsoon over Madhya Pradesh, west U.P. and parts of east Rajasthan during next 4 - 5 days. Rainfall is also likely occur over H.P., Uttarakhand, Punjab, Haryana and Delhi during next 3-4 days. Ongoing subdued rainfall activity over NE states is likely to remain subdued during next 48 Hrs and increase thereafter.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Scattered rainfall is likely over J&K, H.P., Uttarakhand, Haryana, Delhi, Punjab, west U.P., during next 2-3 days.

EAST AND NE INDIA: Fairly widespread to widespread rainfall is likely over Orissa, Jharkhand and west Bengal next 2-3 days. Scattered rainfall is likely over NE states during next 2 days and increase thereafter. Isolated to scattered rainfall is likely over rest of the region.

CENTRAL INDIA: Fairly Widespread to widespread rainfall with isolated heavy fall are likely over Chhattisgarh, M.P. and Vidarbha and M.P. during next 3 days. Scattered rainfall is likely over rest of the region.

SOUTH INDIA: Fairly Widespread to widespread rainfall with isolated heavy fall is likely over Coastal Andhra Pradesh, Telangana, Coastal Karnataka and Kerala during next 3-4 days. Scattered rainfall is likely over rest of the region.

WEST INDIA: Ongoing rainfall is likely to enhance to fairly widespread with isolated heavy fall is likely over Konkan and Goa and Gujarat during from 29June. Scattered to fairly widespread rainfall is likely to continue over Madhya Maharastra, Marathwara during next 3-4 days. Isolated rainfall is likely over south Rajasthan.

Source:NCMRWF

PORT WATCH

Port updates of edible oils in India (June 25-30, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	20,990	7,994	28,984
Palm oil	16,490	4,100	20,590
CDSBO	80,755	10,993	91,748
CFA	2,000	-	2,000
PFAD	3,059	-	3,059
Total	123,294	23,087	146,381

Source: ANAS

Forex Rates:

(June 30 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.75
European Union	Euro	55.18
Japan	100 Yen	33.09
United Kingdom	Pound Sterling	81.83

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