

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 181,000 MT were 25 percent above the previous week, but 23 percent under the prior 4-week average. Increases were reported for Japan (102,800 MT), Taiwan (30,900 MT), Mexico (23,000 MT), and unknown destinations (12,000 MT). Decreases were reported for the Philippines (9,800 MT). Net sales of 164,900 MT for

delivery in 2007/08 were for Mexico (155,900 MT) and Taiwan (9,000 MT). Exports of 323,300 MT were 72 percent above the week earlier and 23 percent over the prior 4-week average. The primary destinations were Japan (108,200 MT), Indonesia (88,400 MT), Mexico (50,300 MT), and Taiwan (43,100 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 101,700 MT were nearly two and one-half times the previous week and 60 percent over the prior 4-week average. The major buyers were Mexico (29,000 MT), Canada (17,100 MT), Algeria (14,500 MT), the Dominican Republic (10,800 MT), Jamaica (8,400 MT), and Colombia (8,200 MT). Net sales of 42,800 MT for delivery

in 2007/08 were primarily for the Dominican Republic (30,000 MT). Exports of 123,400 MT were 73 percent above the prior week and 6 percent over the previous 4-week average. The major destinations were Canada (31,700 MT), Mexico (29,000 MT), Algeria (14,500 MT), and Colombia (8,200 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 3,200 MT resulted as increases for South Korea (11,000 MT--all switched from unknown destinations), Mexico (1,600 MT), Canada (700 MT), and Guatemala (700 MT), were partially offset by decreases for

unknown destinations (11,000 MT). Net sales of 1,500 MT for delivery in 2007/08 were for Mexico. Exports of 41,100 MT were primarily for Algeria (11,500 MT), South Korea (11,000 MT), and Mexico (8,900 MT). Source: USDA

Malaysian Palm Oil Exports Down 5.5% During July 1-20: SGS

According to SGS (a cargo surveyor) estimation, Malaysian palm oil exports dropped at 5.5% at 638,163 tonnes against 675,424 tonnes same period in June. To India, palm oil

exports increased by 27.18% at 41,142 tonnes in July 1-20 against 32,350 tonnes same period a month ago.

Kharif Sowing In Full Swing Area Under Major Crops More Than Last Year, Except Sugarcane

The area coverage of kharif crops as compared to 19th July last week has gone up considerably as per data compiled by Agriculture Ministry. Sugarcane is an exception. Cotton has been sown in 72.3 lakh ha as compared to 64.2 lakh ha last year. Out of this, 24.37 lakh hectare is under Bt cotton.

The total coverage of oilseeds so far has been 121.6 lakh ha as compared to 117.4 lakh ha on July 19 last year. Soybean and groundnut have been sown in 6% higher area as compared to that in 2006. Source: PIB

India: Cotton Acreage Increased to 6.90 Mln Ha

In India, the Kharif cotton acreage during the season picked up as on May 1- July 13, according to the latest government data. Cotton was planted in around 6.90 million hectares of land, including 2.43 million ha under BT cotton, as against 5.80 million sown during the same period last year. Meanwhile, sowing for the new crop has been completed in

North Zone and there is 7-10% increase in the acreage. North Zone comprises Punjab, Haryana and Rajasthan. Sowing has started in Central Zone in Maharashtra, Gujarat and Madhya Pradesh, where there have been good rains. In South Zone (Tamil Nadu, Karnataka and Andhra Pradesh), sowing has started in Andhra Pradesh.

India: Cotton Acreage Rose to 7.22 Mln Ha

In India, the Kharif cotton acreage during the season are progressing well. According to the latest government data, cotton was planted in around 7.22 million hectares of land, including more than 2.43 million ha under BT cotton as on May 1- July 20. The acreage was 6.41 million ha in the last year same period. Sowing for the new crop has been completed in North Zone and there is 7-10% increase in the

acreage. North Zone comprises Punjab, Haryana and Rajasthan. Sowing has started in Central Zone in Maharashtra, Gujarat and Madhya Pradesh, where there have been good rains. In South Zone (Tamil Nadu, Karnataka and Andhra Pradesh), sowing has started in Andhra Pradesh. Source: FAS, USDA

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 are as follows: Table 2 shows that import of Malaysia's

palm oil to USA and India increased by 54.16% and 27.18% on improved demand compared to the corresponding period under review while EU and China registered drop in imports by 59.56% and 20.02% respectively.

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

(Unit: MT)

Countries/Continents	July 1-20	June 1-20	Change %
European Union	71,205	176,095	-59.56
China	142,254	177,860	-20.02
United States	93,213	60,467	+54.16
India	41,142	32,350	+27.18

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Spot prices of palm oil continue to trade undertone amidst sluggish demand, weakness in other edible oil, bearish global cues combined with fears of oversupplies on current vessel position. The slow exports demand coupled with improving prospects of July crude palm oil production in Malaysia nearly 8-10% from June's 1.17 million tonnes is pushing BMD CPO futures to trade down but bearish bias

were reported following CBOT soy futures. The most active October crude palm oil futures contract traded between MYR2,528-2,485 per tonne. In current week, crude palm oil CIF prices for August shipment traded between \$802-815 per tonne. As per SGS exports figures, Malaysian palm oil exports during July 1-20 down 5.5% at 638,163 tonnes against 675,424 tonnes corresponding period in June.

Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Kandla& Mumbai	NA	805	802	NA	NA	NA

Weekly prices for CPO

(Rs/ 10 kg)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Kandla	426	425	425	427	425	426

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Kandla +VAT	460	460	460	458	458	458
Mumbai +VAT	465	482	490	492	486	470
Chennai +VAT	NA	463	460	461	460	460
Kakinada +VAT	453	455	455	456	450	450
Hyderabad +VAT	472	473	472	474	473	473
Delhi	500	505	500	500	500	500

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
CPO	775	770	765	767	767	770
RBD Palmolein	815	802	802	810	802	805

MC: Market Closed

Soybean Complex

The forecast for rainfall activity to remain subdued over soybean growing regions for this week is unlikely to affect germinating soybean seedlings across rainfed areas. For irrigated regions, stored water across 78 major reservoirs [demarcated by Central Water Commission] is enough for entire crop duration period. With farmers in Gujarat and Andhra Pradesh diversifying into cotton cultivation,

groundnut acreage and production is slated for a decline thereby creating a dent on total oilseed production for Kharif 2007 besides necessitating further imports of edible oils. At CBOT, the outlook for dry weather to extend for August month is likely to underpin prices of US soybean despite some consolidation in prices of palm and soy oil in short term. As per the fourth advance estimates for 2006-

07, the total oilseed production for 2006-07 is estimated at 238.8 lakh MT from previous final estimate [2005-06] of 279.8 lakh MT. Soybean production is estimated at 88.6 lakh MT from previous 82.7 lakh MT. During the week, daily arrivals stood at 35,000 to 50,000 bags with prices of soybean across spot markets and plants firming up to Rs

1500-1700/qtl and Rs 1580-1750/qtl respectively. The CIF prices for crude soy oil for July shipment rose to \$ 865-880/MT from previous week's \$ 855-877/MT. The soy oil prices in Indore market followed the suit and firmed up further by Rs 5-6 /10 Kg to Rs 481-486/10 Kg.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Mumbai +VAT	486	488	485	485	486	484
Indore +VAT	481	481	481	481	484	486
Kota +VAT	488	489	489	489	490	490
Jaipur +VAT	494	494	494	494	495	495
Hyderabad +VAT	497	498	498	498	505	505
Chennai +VAT	493	495	496	496	495	496
Rajkot +VAT	476	476	476	476	476	476

MC: Market Closed

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Mumbai	460	458	458	460	460	460

Rise in Crude Soy oil CIF during the week

(US \$/ MT)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Kandla & Mumbai	875	871	865	874	880	875

Mustard Complex

As per the fourth advance estimates for 2006-07, the total oilseed production for 2006-07 is estimated at 238.8 lakh MT from previous final estimate [2005-06] of 279.8 lakh MT. Rapeseed and mustard production was estimated lower at 71.0 lakh MT from previous year's final estimate of 81.3 lakh MT. The total arrivals during the week declined by 5,000 -10,000 bags to 20,000-30,000 bags. On weekday's basis, the daily arrivals stepped down from 25,000 -30,000 bags on Monday to 20,000 bags on Friday. Prices of mustard expeller oil in Kota stood steady at Rs 478/10 Kg

for the whole week, a marginal hike of Rs 2-6/10 Kg from previous weeks Rs 472-476/10 Kg. Prices of Condition and Non-Condition seeds stood steady at Rs 2140-2325/qtl & Rs 1915-1960/qtl respectively. Domestically, festive and consumptive demand for edible oils is catching up the good pace and is likely to prevent any abrupt downside in prices of edible oils. Market participants including both buyers and sellers await fresh cues on lack of fresh fundamentals. Demand for seeds from millers continues to hold steady.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Mumbai + VAT	508	506	506	504	504	504
Kota +VAT	478	478	478	478	478	478
Jaipur +VAT	482	488	488	488	488	490
Delhi	510	508	508	507	508	508
Neewai +VAT	NA	477	478	478	478	479

Groundnut Oil

Sluggish demand and undertone trade in other edible oil depressed groundnut oil prices in domestic market during the week started from July 16. Sensing market reached to its optimum height, stockists are cautiously unloading their inventories cast weakness for groundnut oil. Due to spiraling prices of groundnut seeds on tight supplies concerns coupled with low realization of groundnut oil, expellers are hesitating to replenish their stocks that somehow manage to support market. In fourth advance estimation, groundnut output in 2006-07 crop year (July to June) is estimated at 4.91 million tonnes weak from earlier estimate 4.98 million tonnes. This drop is mainly due to

unfavorable weather conditions during crop progress. The shelled groundnut in Gujarat is quoted at Rs. 415-575 per 20 kg as per quality. As per government latest figures, groundnut sowing has been speed up and on July 20th sowing is covered in 3.35 million hectares as compared to 3.15 million hectares last year. In Rajkot market groundnut oil prices traded between Rs. 775-795 per 10 kg during the week. The slow progress of groundnut sowing may be continues into next 5-6 days to remain in sync with currently weakened monsoon rainfall activities in central, northern and western parts of the country as in latest report from IMD.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Mumbai +VAT	750	750	750	750	748	745
Rajkot +VAT	795	785	790	785	775	760
Andhra Region	760	750	750	750	765	765
Chennai +VAT	NA	690	690	685	690	690
Delhi	785	780	780	780	780	780

Sunflower Oil

Spot prices of refined sunflower oil traded in bearish undertone on weakness in other vegetable oil coupled with subdued demand. As per trade sources, Kharif sunflower is in progress in Maharashtra, Karnataka and UP led some weakness. Sunflower oil has crossed the psychological

barrier of \$1000 per tonne in the last week. The sunflower oil CIF prices for August shipment traded in range of \$964-1019 per tonne on during the week. The underlying bullish cues are likely to support refined sunflower oil prices in near-terms.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Mumbai +VAT	590	585	580	580	578	578
Chennai +VAT	NA	585	580	580	580	585
Hyderabad +VAT	600	600	600	600	590	590

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Kandla & Mumbai	NA	964	986	987	1019	1029

Refined Cottonseeds Oil

Sluggish demand, subdued trade activities favored prices of refined cottonseeds oil to trade on softer side across domestic markets. As per latest government Kharif estimation cotton sowing has been completed in 72.3 lakh hectares as compared to 64.2 lakh hectares last year including 24.37 lakh hectare under Bt cotton. The shift in acreage from groundnut and use of Bt. Cottonseeds results

increased cotton output at 22.7 million bales* (crop year July 2006-June 07) as compared to 21.03 million bales in earlier estimation as highlighted in fourth advance estimation. Traders are expecting oil refined cottonseeds oil prices are likely to trade with slightly undertone ahead in lack of supportive demand.

Prices for Refined Cotton Oil during this week

Markets	16.07.07	17.07.07	18.07.07	19.07.07	20.07.07	21.07.07
Mumbai +VAT	512	510	510	508	508	508
Hyderabad +VAT	500	500	500	500	510	510
Rajkot +VAT	518	512	514	510	512	508
Delhi	500	505	502	500	500	495

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

CBOT Soy Futures Settle Down

Soy futures finished down on Chicago Board of Trades on uncertainty over weather condition. November soybeans closed down 6.75 cents at \$321.57 per MT. August soybeans ended down at 5.75 cents down at \$ 312.56 per MT. December soy meal closed weak \$2.5 at \$258.71 per MT. December soybean oil ended 0.26 down at \$848.54 per MT. Market maintained the follow-through buying early

in the session on ideas of dry weather conditions in next week in Western plains but market failed to sustain the firmness on anticipation of improve soybeans crop conditions in Monday's weekly crop progress update. As well market borrowed bearish undertone from sluggish crude oil futures.

BMD CPO Futures Recover Following CBOT

Recouped CBOT soy futures and gains in crude oil futures strengthened crude palm oil futures on Bursa Malaysian Derivatives despite bearish exports sales figures for July 1-20 released by SGS. Malaysian palm oil exports dropped at

5.5% at 638,163 tonnes against 675,424 tonnes corresponding period in June. The most active October contract of CPO futures rebound by MYR21 at MYR2,506 per tonne on Friday.

WEEKLY WEATHER WATCH

An upper air cyclonic circulation lies over Bihar and adjoining. Under its influence fairly widespread rainfall is likely over East U.P., Bihar, Jharkhand and Orissa during next 2-3 days. The axis of monsoon trough at sea level passes close to foot Hill of Himalaya. Under its influence widespread rainfall with scattered heavy to very heavy fall is expected over Sub-Himalayan West Bengal and NE States during next 4-5 days. Model predictions suggest that monsoon is likely to be in weak phase for next week. Hence west, central India and interior Peninsula are likely to experience subdued rainfall during next 4-5 days. Although isolated heavy to very heavy rainfall is likely over Kerala, Coastal Karnataka and Lakshadweep during the same period. A western disturbance is likely to affect hilly regions of NW India from tomorrow. Under its influence fairly widespread rainfall is expected over hilly region of northwest India and scattered over adjoining plains during next 2-3 days from tomorrow.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Fairly widespread rain is likely over J&K, H.P. and Uttarakhand during 21-23 July. Isolated to scattered showers are likely over Punjab, Haryana, Delhi and west Uttar Pradesh during 21-23 July.

EAST AND NE INDIA: Fairly widespread rainfall is likely over east U.P. , Bihar and NE States during next 48 hrs. Scattered to fairly widespread rainfall is likely over Orissa , West Bengal, Jharkhand during next 3-4 days.

CENTRAL INDIA: Isolated rainfall is likely over the region during next 5 days.

SOUTH INDIA: Fairly widespread rainfall is likely over Coastal Karnataka, Kerala and Lakshadweep. Scattered rainfall is likely over South Interior Karnataka and Tamilnadu and Pondichery. Isolated rainfall is likely over rest of region.

WEST INDIA: Scattered rainfall is likely Konkan & Goa and Madhya Maharastra. Isolated rainfall is likely over rest of the region. **Source:NCMRWF**

PORT WATCH

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

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	30,550	35,490	66,040
Palm oil	24,500	-	24,500
CDSBO	24,000	18,000	42,000
CFA	2,000	-	2,000
Total	81,050	53,490	134,540

Source: ANAS

Forex Rates:

(July 21 2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.33
European Union	Euro	56.76
Japan	100 Yen	33.25
United Kingdom	Pound Sterling	82.93

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