

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 236,000 MT were 54 percent above the previous week and 17 percent over the prior 4-week average. Increases were reported for China (110,000 MT), unknown destinations (60,000 MT), Mexico (27,300 MT), and Taiwan (25,300 MT). Decreases were reported for Vietnam (7,000 MT). Net sales of 77,300 MT for delivery in 2007/08 (which begins September 1) were primarily for

China (60,000 MT) and Turkey (10,000 MT). Exports of 174,100 MT were 61 percent below the week earlier and 37 percent under the prior 4-week average. The primary destinations were Taiwan (65,700 MT), Mexico (36,000 MT), Colombia (23,000 MT), and Japan (17,100 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 95,500 MT were 18 percent below the previous week, but 2 percent above the prior 4-week average. Increases were reported for unknown destinations (24,000 MT), Colombia (19,700 MT), Ecuador (14,000 MT), Canada (7,700 MT), and Lebanon (7,100 MT). Net sales of 97,200 MT for delivery in 2007/08 were primarily for Mexico (54,100 MT), Canada (24,700 MT), and Guatemala (15,900

MT). Exports of 120,000 MT were 31 percent below the prior week and 10 percent under the previous 4-week average. The major destinations were Mexico (34,600 MT), the Dominican Republic (24,700 MT), Canada (23,200 MT), and Colombia (16,900 MT). Note: Accumulated exports for Syria were adjusted down 7,100 MT and up for Lebanon 7,100 MT. Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 15,200 MT were primarily for Morocco (10,000 MT) and Venezuela (4,000 MT). Exports of 5,000 MT were

mainly to Nicaragua (3,100 MT), Mexico (700 MT), Canada (500 MT), and El Salvador (500 MT). Source: USDA

Edible oil Imports Increase by 7.87% During Nov-July

During first nine months (Nov-July) of current oil year (Nov-Oct), India imported 3.29 mmt of edible oil vs 3.05 mmt same period last year. This is due to fall in oilseed's output at 22.67 mmt in 2006/07 (in crop year, July-June) as compared to 23.97 mmt a year ago. During Nov-July, crude palm oil imports surged at 2.1 mmt as compared to 1.49 mmt corresponding period last year. In July CPO import

increased at 255,615 tonnes against 159,733 tonnes same a year ago, as palm oil discounted over soy oil. Between Nov-July, crude soy oil import declined at 886,320 tonne vs 1.29 mmt during period under consideration while in July import declined by 18.43% at 236,763 tonnes against 290,250 same period last year.

Malaysian Palm Oil Exports Rise 25.5% During August 1-15: SGS

SGS (a cargo surveyor) estimated Malaysian palm oil exports for the period of August 1-15 highlighted exports rose by 25.5% at 588,658 tonnes against 468,878 tonnes

same period in July. To India, palm oil exports dropped 21.1% at 25,615 tonnes during August 1-10 against 32,472 tonnes same period a month ago.

The July soybean crush stood at 142.54 million bushels -NOPA

The July NOPA crush report stated US crush at 524 million bushels well below the average estimate of 143.1 million bushels. The soybean crush was reported at 142.54 million bushels up by 0.94 million bushels from previous months

crush. The July soymeal exports stood at 481,033 tons, up from 453,261 tons in June. July U.S soy oil stocks were reported at 2.835 billion lbs, down from 2.951 billion in June.

Veg- oil Imports to Touch 5 MMT by End of Oil Year - SEA of India

As per SEA of India, imports of vegetable oils by end of oil year are likely to exceed previous year's imports by around 10% to 5.6 million tons. Edible oils would constitute around

86% of the total imports; non-edible oils would constitute the rest.

India Edible oil Import Till October Is Seen at 5.5-5.6 Million tonnes

India 's vegetable oil imports in the marketing year ending in October will likely rise to 5.5 million -5.6 million tons from 5.1 million tons the previous year, the Solvent Extractors Association of India said Tuesday. The association's projections for vegetable oil imports this year are

nevertheless down sharply from its earlier forecast of over 6 million tons. Imports of edible oils this year are forecast at 4.8 million tons, and non-edible oils at around 750,000 tons, the association said.

Standing Soybean Crop Reported in Good Condition

The soybean crop is at vegetative growth stage. Mild incidence of leaf caterpillar in Nashik, Kolhapur & Amravati division & leaf roller in Aurangabad , Nagpur division is unlikely to affect yield of soybean crop unless heavy rains

and higher humidity disrupt the growth of the crop. By end of 31st week, the crop would enter the flowering stage. Traders and Farming community are expecting better growth and production prospects this season.

India: Cotton Output Expected to Reach at 310 Lakh Bales

The Cotton Advisory Board has projected the Indian's cotton production at 310 lakh bales (each bale of 170 kgs) for the Oct 2007-Sep 2008 cotton year, while the output may touch 300-325 lakh bales on the higher side. Genetically modified Bt Cotton is expected to contribute 55% of the total production compared to 35 percent in

2006-2007. It is estimated that Bt cotton production could increase from 100 lakh bales in 2006- 2007 to 160 lakh bales in 2007-2008. Cotton exports from the country are set to rise from 47 lakh bales to 55 lakh bales during this period.

Gujarat: Cotton Crop Damages Due to Heavy Rains

According to sources, the cotton prices are expected to shoot up due to heavy spells of rain in the Saurashtra region of Gujarat, which are believed to have damaged this year's cotton crop. Many farms in Saurashtra and Junagadh, two major cotton hubs in Gujarat, have reportedly been flooded due to the massive downpour. Cotton prices, which were hovering at Rs 20,500/350 kg,

may further increase by Rs 500 in the next few days due to bad weather and the resultant crop damage, according to trade sources. Around 23 lakh hectares in Gujarat, with 14 lakh hectares of Bt cotton, 5 lakh hectares of staple and the rest accounting for local varieties, are currently under cotton cultivation.

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.

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

(Unit: MT)

Countries/Continents	August 1-15	July 1-15	Change %
European Union	NA	NA	NA
China	NA	NA	NA
United States	NA	NA	NA
India	NA	NA	NA

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Improved import of palm oil, weakness in others edible oil, bearish global cues and sluggish demand sapped the prices of palm oil in physical markets. During first nine months (Nov-July) of current oil year (Nov-Oct), India imported 3.29 mmt of edible oil vs 3.05 mmt same period last year. This is due to fall in oilseed's output at 22.67 mmt in 2006/07 (in crop year, July-June) as compared to 23.97 mmt a year ago. During Nov-July crude palm oil imports surged at 2.1 mmt as compared to 1.49 mmt corresponding period last year. In July CPO import increased at 255,615 tonnes against 159,733 tonnes same a year ago. Indonesian palm oil market remained stayed away from

bearish global cues as palm olein supplies were tight from refineries and holding back activities of stockists but gains were capped by expectation of rise in palm oil production by 5-10% during August-September vs June-July. BMD CPO futures remained bearish though out the week on bearish CBOT and improved prospects of stocks toward August end. The most active November contract of crude palm oil futures traded between MYR2,378-2,514/tonne (MYR2,455-2,510/tonne last week). In current week, crude palm oil CIF prices for August shipment traded between \$770-797/tonne (\$792-820/tonne last week).

Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Kandla& Mumbai	797	NA	MC	795	770	790

Weekly prices for CPO

(Rs/ 10 kg)

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Kandla	419	420	MC	418	415	418

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Kandla +VAT	456	456	MC	455	452	453
Mumbai +VAT	456	457	MC	456	450	452
Chennai +VAT	450	452	MC	450	445	445
Kakinada +VAT	442	452	MC	445	445	445
Hyderabad +VAT	466	464	MC	460	458	458
Delhi	495	495	MC	495	495	495

MC: Market Closed

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

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
CPO	770	770	MC	765	737	752
RBD Palmolein	792	792	MC	775	757	767

MC: Market Closed**Soybean Complex**

Goldman Sachs has cut its 3-month CBOT soybean price forecast from \$11/bu to \$9.90/bu and its 6-month outlook from \$10/bu to \$9/bu. Weakness across financial markets kept fund buyers on the sidelines. Consolidating prices of palm and soy oil in overseas markets, expectation of higher imports of edible oil by end of oil year and strengthening production prospects of domestic soybean kept the soy complex sentiments almost subdued. The imports of vegetable oils by end of oil year are likely to exceed last year's imports by around 10% to 5.6 MMT. Prices of palm oil [FOB] have become more attractive against soy oil from South America undermining miller's margins and pressuring soy oil prices further. The daily arrivals improved

from 20,000 bags on Monday to 35,000-40,000 bags on Friday. The prices of soybean across spot markets softened further by Rs 50/qrtl to Rs 1450-1590/qrtl. Plant delivery rates firmed up marginally by Rs 30-50/qrtl to Rs 1510-1620/qrtl on account of good offtake by millers for meeting export commitments for November and December Shipments. The CIF prices for crude soy oil for August shipment declined to \$ 855-902/MT from previous week's \$ 895-915/MT. The soy oil prices in Indore too declined to Rs 468-473/10 Kg from previous week's Rs 470-474/10 Kg. Renewed buying at lower levels likely to support the prices in short term.

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

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Mumbai +VAT	478	478	MC	475	470	469
Indore +VAT	472	473	MC	470	468	468
Kota +VAT	475	475	MC	474	473	471
Jaipur +VAT	480	480	MC	478	478	478
Hyderabad +VAT	495	495	MC	490	490	490
Chennai +VAT	490	492	MC	490	495	495
Rajkot +VAT	465	465	MC	462	462	460

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

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Mumbai	452	453	MC	450	448	450

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

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Kandla & Mumbai	902	900	MC	875	855	865

MC: Market Closed**Mustard Complex**

During the week, the daily arrivals improved from 20,000 bags on Monday to 25,000 bags on Friday. Prices of Condition and Non-Condition seeds softened by Rs 50 and Rs 10 per qtl to Rs 2060-2300/qrtl and Rs 1850-1920/qrtl respectively. Tracking weak global cues and subdued

sentiments for soy oil, mustard expeller oil prices continued to weaken on lack luster buying support from oil millers. Prices of mustard expeller oil in Kota declined to Rs 460-468/10 Kg from previous week's Rs 465-470/10 Kg. With around 4 lakh MT of edible oils yet to be imported through

three State run trading bodies and NAFED, the pressure of imported oils cant be ruled out in short term. Strengthening prospects of Kharif oilseed production is also seen to be limiting mustard seed prices across domestic markets.

Prices of mustard seeds across domestic exchanges too settled lower on global advices and couldn't lend support to mustard seed sentiments.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Mumbai + VAT	494	497	MC	495	490	490
Kota +VAT	468	466	MC	464	460	460
Jaipur +VAT	476	474	MC	472	468	468
Delhi	500	500	MC	498	497	497
Neewai +VAT	469	467	MC	463	461	460

Groundnut Oil

Poor demand in groundnut complex is maintained across domestic markets during the week started from August 13th. Market also gained bearishness from weakness in other edible oil and overseas markets. But gains were limited by reports of crop damaged on recent rainfall in Saurashtra region. The crop damage in expecting nearly 5% but it may extend, if rain continues in these areas. Early sown Kharif groundnut in early vegetative/vegetative stages

in major groundnut producing regions while sowing is continue in Tamil Nadu and in parts of Karnataka. As per government latest figures groundnut sowing is completed in close to 5 million hectares as on August 17th vs 4.84 million hectares last week and 4.34 million hectares a year ago. In Rajkot market groundnut oil mostly traded between Rs. 770-760/10 kg.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Mumbai +VAT	730	730	MC	725	710	710
Rajkot +VAT	770	770	MC	770	770	770
Andhra Region	720	700	MC	700	700	700
Chennai +VAT	680	680	MC	670	660	660
Delhi	770	770	MC	770	760	760

MC: Market Closed.

Sunflower Oil

Arrivals pressure of seeds from Tamil Nadu, bearish global cues and cheaper crude oil kept the control over prices of refined sunflower oil domestically during the week start from August 13th. The land preparation of Kharif sunflower seed is in progress in Uttar Pradesh. Except few incidences of hairy cater pillar, Kharif crop in good progress in Maharashtra. As per trade sources, the oil realization is better with Tamil Nadu crop (40-42%) than other states that

supported the seeds prices. In 2007/08, Argentine sunflower area is seen up at 2.6-2.7 million hectares as vs 2.447 million hectares last year. The sunflower oil CIF prices for August shipment traded in range of \$1048-1058 per tonne on during the weak. Arrival pressure and underlying weakness in other edible oil is likely to supported refined sunflower oil in short-term.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Mumbai +VAT	565	565	MC	555	545	545
Chennai +VAT	572	565	MC	560	560	558
Hyderabad +VAT	575	570	MC	550	548	547

MC: :Market Closed.

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Kandla & Mumbai	1058	1058	MC	1058	1053	1048

MC: Market Closed.

Refined Cottonseeds Oil

The low crushing margins for oil and sluggish demand of meals both at ports and domestically sapped the prices refined cottonseeds oil in domestic markets. The cotton sowing on August 18th is noticed in 8.74 million hectares as compared to 8.24 million hectares last year added the pressure on cottonseeds oil. The improved prospects of Kharif cotton production and supportive weather condition extended the pressured on refined cottonseeds oil. As per trade sources, Kharif cotton sowing area in Rajasthan increased by 25% and in Punjab surged by 7%. As well as area in Gujarat, Madhya Pradesh and Maharashtra are

expecting to increase by 5-8%. The improve prospects of production would tend to push the prices down in near-term. The crop damage of cotton in Saurashtra also reported, which is now expecting at 1.1 crore bales against earlier expectation of 1.3 crore bales (1 bale=170kg). According to trades. This would not severely impact the prices of refined cottonseeds oil as festive demand would cushion the prices. The expectation of bumper reap in uncoming Kharif season would pressure the oil in short-term.

Prices for Refined Cotton Oil during this week

Markets	13.08.07	14.08.07	15.08.07	16.08.07	17.08.07	18.08.07
Mumbai +VAT	495	495	MC	492	490	492
Hyderabad +VAT	500	495	MC	490	490	490
Rajkot +VAT	496	498	MC	496	495	492
Delhi	480	480	MC	485	480	480

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

CBOT Soy Futures Finish Up

September soybean closed up 12.25 cents at \$ 297.96 per MT. November Soybeans finished up 13.25 cents at \$ 303.83 per MT. December Soymeal closed up at \$ 0.2 at \$ 248.78 per MT. December Soybean Oil finished up at 1.05 at \$ 794.76 /MT. Rally in energy markets, recovery in financial markets, commercial buying and lack of fund

liquidation selling provided support to prices of soy futures at CBOT. The forecast of rains by weekend over Midwest is seen as supportive factor for pod setting and pod filling of soybean crop. However, uncertainty in weather still continues to haunt market sentiments.

BMD CPO Futures Settle Bearish Despite Recover in Late Session

Tracking bearish CBOT, crude palm oil futures settled down on Bursa Malaysian Derivatives. Before recovery in late session, market touched the seven-weeks low. Assuming market has loses sharply in recent time, most of traders preferred to square off their position but the clear price

direction would depend upon exports data for the period of August 1-20. The most active November futures contract of crude palm oil futures finished down MYR11 at MYR2,378 per tonne.

WEEKLY WEATHER WATCH

Western end of monsoon trough is running close to foot hills of Himalaya and eastern part passes trough Muzaffarpur, Asansol, Kolkata and thence southeastwards to east-central Bay of Bengal. Under this scenario fairlywidespread rainfall with isolated heavy fall is likely

along foot hills of Himalaya. Rainfall activity is likely to remain highly subdued over northwest, central and interior peninsular India during next 3 days. At present, a north-south trough runs from north Bihar to Head Bay of Bengal. Under its influence, widespread rainfall with scattered

heavy falls is likely over Sub-Himalayan West Bengal & Sikkim, north Bihar and NE States. A cyclonic circulation is formed over Gangetic West Bengal and adjoining Bangladesh. It is likely to intensify as low pressure area by tomorrow. Widespread with isolated heavy to very heavy falls are also likely over Gangetic West Bengal, north Orissa and Jharkhand during 48 hrs. Model predictions suggest that a westerly trough is likely to affect hilly region of NW India around 21 August.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: J&K, H.P. and Uttaranchal are likely to receive scattered rains during 20-21 August. Haryana, Delhi and west Uttar Pradesh are likely to experience isolated showers during the period.

EAST AND NE INDIA: Fairly widespread rainfall with isolated heavy fall is likely over West Bengal, Orissa, Jharkhand and NE States during next 2 days then decrease

thereafter. Scattered rainfall is likely over Orissa, Jharkhand, and Bihar during next 3 days then increase thereafter.

CENTRAL INDIA: Isolated rainfall is likely over region during next 3-4 days. The rainfall activity may enhance from Chhattisgarh after 2 days.

SOUTH INDIA: Scattered rainfall is likely over Coastal Karnataka and Kerala during next 3-4 days. Isolated rainfall is likely over Coastal A.P., Telangana, and Interior Karnataka during next 3 days. Rainfall activity may increase over Rayalseema and Tamilnadu during next 3 days.

WEST INDIA: Fairly widespread rainfall is likely over Konkan & Goa and Madhya Maharashtra. Scattered rainfall is likely over Marathwara after 48 hrs. Isolated rainfall is likely over rest of the region during next 3-4 days.

Source:NCMRWF

PORT WATCH

Port updates of edible oils in India (August 13-18th, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CFA	2,000	2,000	4,000
CPO	24,500	11,599	36,099
Palm oil	49,207	16800	66,007
CDSBO	-	8,000	8,000
Total	75,707	38,399	114,106

Source: ANAS

Forex Rates:

(August 18th 2007)

Country/ Continent	Currency	Value in Rupees	
		18.08.2007	13.08.2007
USA	Dollar	41.57	40.56
European Union	Euro	56.09	55.55
Japan	100 Yen	36.39	34.28
United Kingdom	Pound Sterling	82.79	82.03

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