

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 153,300 MT were 17 percent below the previous week and 23 percent under the prior 4-week average. Increases were reported for China (115,700 MT), Mexico (20,100 MT), Taiwan (14,200 MT), and Vietnam (10,000 MT). Decreases were reported for the Philippines (14,600 MT). Net sales of 377,100 MT for delivery in 2007/08 were primarily for unknown destinations (165,000

MT), China (120,000 MT), and Mexico (42,400 MT). Exports of 449,700 MT were two and nine-tenths times the week earlier and two and one-tenth times the prior 4-week average. The primary destinations were Mexico (131,000 MT), China (128,700 MT), and Japan (115,200 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 116,400 MT were 52 percent above the previous week and the prior 4-week average. The primary buyers were Mexico (27,300 MT), Canada (14,700 MT), Japan (12,400 MT), El Salvador (12,100 MT, switched from Guatemala), and the Philippines (9,900 MT). Net sales of 84,500 MT for delivery in 2007/08 were primarily for unknown destinations (30,000 MT), Panama (20,500 MT),

Honduras (14,500 MT), and Guatemala (14,100 MT). Exports of 174,000 MT were 38 percent above the prior week and 60 percent over the previous 4-week average. The major destinations were Mexico (33,500 MT), Canada (26,100 MT), Japan (21,100 MT), Guatemala (14,500 MT), the Philippines (13,200 MT), and Cuba (13,000 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 29,600 MT were primarily for unknown destinations (15,000 MT), China (5,000 MT), Cuba (5,000 MT), and Mexico (4,100 MT). Sales of 1,200 MT for

delivery in 2007/08 were for Mexico. Exports of 1,900 MT were mainly to Mexico (1,100 MT), Canada (400 MT), and Lebanon (100 MT). Source: USDA

WASDE Report on OilSeeds

U.S. oilseed production for 2007/08 is projected at 80.2 million tons, down fractionally from last month as lower cottonseed production is nearly offset by higher peanut production. Soybean yields are forecast at 41.5 bushels per acre, 1.2 bushels below last year. The first survey-based forecast of U.S. soybean production is 2.63 billion bushels, unchanged from the July projection, and 563 million bushels below last year's crop. Soybean stocks are projected at 220 million bushels, down from 245 million last month reflecting reduced carryin. Soybean crush remains unchanged as reduced soybean meal export prospects are

offset by increased domestic soybean meal disappearance. Soybean oil stocks are raised this month, reflecting an increase in beginning stocks. The projected U.S. season-average soybean price is unchanged at \$7.25 to \$8.25 per bushel. Projected prices for soybean meal and soybean oil also are unchanged at \$200 to \$230 per short ton and 32 to 36 cents per pound, respectively. Global oilseed production for 2007/08 is projected at 391.3 million tons, down 4.4 million tons from last month, and down 13.7 million tons from 2006/07. Foreign production is reduced 4.4 million tons from last month. Soybean production for China is

projected at 15.2 million tons, down 0.4 million due to dry weather in the northeastern producing area. Rapeseed production is reduced for Canada and EU-27. Hot, dry weather in Canada and wet harvest weather in EU-27 have reduced yield prospects. Crop projections for both remain above last year's levels due to sharply higher planted area. Global sunflowerseed production is reduced 8 percent this month due to sharp reductions for Russia, Ukraine, and EU-27. Production estimates are reduced due to lower

planted area in Russia and hot, dry July weather in Ukraine and EU-27. U.S. changes for 2006/07 include higher soybean exports and crush. Exports are raised 10 million bushels. Crush is raised 15 million bushels reflecting stronger-than-expected domestic soybean meal disappearance and exports. With higher use, carryover drops 25 million bushels to 575 million bushels. The season-average soybean price is raised 5 cents per bushel to \$6.40 per bushel. Source: WASDE

Soybean Acreage Seen in 8.08 Million Hectares

With the revival of monsoon, soybeans plantation is nearly completed in country and on August 3rd, 8.08 million hectares land has been covered as compared to 7.71 million hectares last year. Madhya Pradesh province is planted with 4.69 million hectares against 4.45 million

hectares a year ago. Maharashtra is covered with 2.28 million hectares as compared with 2.30 million hectares a year ago, whereas western provinces of Rajasthan witnessed 610,800 hectares against 580,300 hectares a year ago.

Indonesian Government Will Raise Exports Takes on Palm oil Product

Indonesia government is planning to raise the base prices of palm oil product again (last time hiked in July). Base prices on crude palm oil will increase by 7.7% at \$728/tonne against earlier \$676/tonne, crude palm olein by \$27 at \$767/tonne as compared to July's \$740/tonne, RBD

palm olein is likely to hike by \$77 at \$801/tonne to earlier \$746/tonne, RBD palm oil will raise by \$14 to \$751/tonne. The palm oil exports taxes will be calculate using base prices. The new base prices will be effective during August 10th-September 9th.

Nafed Plans to import Nearly 100,000 Tonnes Edible oil

To quell the upside price movement in edible oil in upcoming festivals days, Nafed is likely to import 100,000 tonne of edible oil by October, which will include both CPO

and CDSBO but the main focus will be on CPO. As well as Nafed would released rapeseeds oil obtained from crushing of 60,000 tonne of seeds every month.

China 2007/08 Soybean Output is Likely at 14.8 Million Tonne

The extended drought conditions in China in major soybeans damaged the standing crop and soybeans output in 2007/08 is expecting at 14.8 million tonne as compared to 15.98 million tonne a year ago. This as well as to meet

the rising demand may support soy oil import, which is expecting at 2.9 million tonne in 2007/08 as compared to last year's estimation 1.85 million tonne.

July Malaysian Palm oil Exports Surge 16.3% in June: MPOB

Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for July. Palm oil exports rose 16.3% at 1.1 million tonnes against 947,679 tonnes. Crude

palm oil production increased 16.3% at 1.36 million tonne to 1.17 million tonne a month ago while stock gained by 9% at 1.31 million tonnes against 1.2 million tonnes last month.

Malaysian Palm Oil Exports Rise 20.1% During August 1-10: SGS

SGS (a cargo surveyor) estimated Malaysian palm oil exports for the period of August 1-10 highlighted exports rose by 20.1% at 374,913 tonnes against 312,144 tonnes

same period in June. 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.

Oilseeds Sowing is Ahead to Last Year

The recent figures of oilseeds sowing are indicated for the speedy coverage. As on August 10th soybeans sowing completed in 8.47 million ha as compared to 8.18 million hectares last week and 7.9 million ha a year ago, whereas

groundnut is completed in 4.84 million ha against 4.42 million ha last week and 4.25 million ha in 2006. Sunflower sowing in completed in 6.28 lakh ha against 7.31 lakh ha a year ago.

India Approve the Import of Argentine Soy oil

According to Foreign Minister of Argentina, Indian permanently granted the import of Argentine soy oil. The Argentine soy oil recent shipment had been allowed under

temporary permission after an investigation launched last year by India into health and Environmental safety of soy oil obtained from transgenic soybeans of Argentina.

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 August 1-10, 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 EU and China increased by 290.67% and 94.29% respectively on improved demand compared to the corresponding period under review while USA and India registered a drop in imports by 72.33% and 21.12% on sluggish demand.

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

(Unit: MT)

Countries/Continents	August 1-10	July 1-10	Change %
European Union	40,630	10,400	+290.67
China	116,289	59,854	+94.29
United States	17,580	63,545	-72.33
India	25,615	32,472	-21.12

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

The spot prices of palm oil traded in bullish tone on improved demand despite bearish global cues. To maintain the adequate supplies and to control the upwardly prices movement domestically, Nafed is likely to import 100,000 tonne of edible oil by October, which will include both CPO and CDSBO but the main focus will be on CPO. To remains in line with international prices, Indonesia government raised the base prices of palm oil product again (last time hiked in July). Base prices on crude palm oil increased by 7.7% at \$728/tonne against \$676/tonne earlier, RBD palm olein hiked by \$77 at \$801/tonne. The palm oil exports taxes will be calculate using base prices and will remain effective from August 10th-Sep9th. Despite Rise in exports demand as shown by SGS, BMD CPO futures turned bearish on improved stocks in July (highlighted by MPOB). Malaysian

palm oil exports August 1-10 surged by 20.1% at 374,913 tonnes against 312,144 tonnes same period last month. According to Malaysian Palm Oil Board (MPOB) July crude palm oil production increased 16.3% at 1.36 mmt as compared to trade expectation between 1.2-1.25 mmt and 1.17 mmt a month ago while stock surged 9% at 1.31 mmt against 1.2 mmt last month. The most active October contract of crude palm oil futures traded between MYR 2,478-2,535/tonne (MYR2,582-2,636/tonne last week). In current week, crude palm oil CIF prices for August shipment traded between \$792-820/tonne (\$825-840/tonne last week). Due to discount in Malaysian RBD palm olein prices over Argentine soy oil, global demand is likely to shift to palm oil from soy oil, which in turn support BMD with spill over impact domestically.

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

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Kandla& Mumbai	815	NA	792	820	797	805

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

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Kandla	419	415	418	424	420	419

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

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Kandla +VAT	455	450	450	456	456	456
Mumbai +VAT	453	451	453	456	456	456
Chennai +VAT	455	454	450	450	450	450
Kakinada +VAT	443	442	442	443	445	443
Hyderabad +VAT	464	464	464	464	466	466
Delhi	490	490	495	495	495	495

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

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
CPO	NA	757	762	780	777	775
RBD Palmolein	NA	787	785	810	802	800

MC: Market Closed**Soybean Complex**

During the week, the prices of soybean, soymeal and soy oil softened on subdued demand for oilmeals and glut of edible oils across domestic markets. Good rains over Central India and Malaysia strengthened production outlook for soybean and palm oil respectively. Sentiments for US soybean [Pod setting stage] continued to remain mixed on outlook of uncertain weather and better production prospects thereby failing to impart strength to domestic soy complex.. During the week, the prices of soybean crashed down by Rs 50-150/qrtl to Rs 1500-1600/qrtl [Spot] and Rs 1450-1600/qrtl [Plants]. Following up; the average daily arrivals declined by 5,000-8,000 bags; to 20,000 to 38,000 bags. The CIF prices for crude soy oil for August shipment rose marginally by \$ 20-25/MT to \$ 985-915/MT. The soy

oil prices in Indore eased down by Rs 12 per 10 Kg to Rs 468-476/10 Kg. Continued festive demand for edible oils, early withdrawal of monsoon rains coupled with good overseas demand for high protein soymeal would hold demand for soybean steady to slightly firm in short term. Soybeans plantation is nearly completed in country with soybean crop covering around 8.08 million hectares of land [as on 3rd of Aug] in comparison to 7.71 million hectares covered last year. Acreage for soybean in Madhya Pradesh is up by 0.24 million ha to 4.69 million hectares against last year's 4.45 million hectares. Acreage in Maharashtra stood at 2.28 million hectares against 2.30 million hectares a year ago, whereas western Rajasthan covered 610,800 hectares against 580,300 hectares a year ago.

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

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Mumbai +VAT	474	472	473	480	480	480
Indore +VAT	476	468	470	470	471	472
Kota +VAT	477	475	476	477	478	478
Jaipur +VAT	484	480	480	482	482	482
Hyderabad +VAT	490	490	490	490	495	495
Chennai +VAT	495	495	490	490	490	490
Rajkot +VAT	465	465	465	465	465	465

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

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Mumbai	453	447	450	454	452	452

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

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Kandla & Mumbai	815	NA	792	820	797	805

Mustard Complex

Sentiments for mustard complex remained subdued on tracking weak cues from soy complex, general consolidation in prices of oilseeds and edible oils and bearish global advices. During the week, the average daily arrivals declined steeply by 10,000 bags to mere 10,000-20,000 bags. Prices of mustard expeller oil in Kota declined by Rs 13 to 465-470/10 Kg. Prices of Condition and Non-Condition seeds stood at Rs 2100-2300/qtl and Rs 1860-1920/qtl over previous week's Rs 2120-2350/qtl & Rs 1890-

1950/qtl respectively. State trading bodies have been instructed to further import 1 lakh MT of edible oils. NAFED is currently not willing to sell seeds in open market; instead it's intending to crush around 60,000 MT of seeds on monthly basis to maintain adequate supply of rapeseed/expeller oil to meet consumptive demand. Since festive demand for edible oils is likely to extend this week, price of mustard seeds are likely to find good support.

Prices for Rape Expeller Oil
(Rs/ 10 kg)

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Mumbai + VAT	493	490	490	490	497	493
Kota +VAT	465	465	468	470	470	470
Jaipur +VAT	473	472	475	478	478	478
Delhi	500	500	500	501	501	500
Neewai +VAT	466	465	467	669	470	470

Groundnut Oil

Weakness in other edible oil, sluggish demand and good rainfall activities in major groundnut producing belt results bearish undertone trades of groundnut oil domestically. As per commissioner of Maharashtra State government, the current higher prices of groundnut induced the groundnut

acreage by 11% at 302,861 hectares vis-à-vis last year. The poor demand of groundnut meals domestically and ports are reflected by nil exports in July that aided the bearishness of groundnut oil. In Rajkot market groundnut oil traded between Rs. 785/10 (August 1st) to Rs. 760/10 kg

(Aug 10th). As per government latest figures groundnut sowing is completed in 4.84 million hectares as on August 10th against 4.42 million hectares last week and 4.45

million hectares a year ago. In Rajkot market groundnut oil prices traded between Rs. 760-770 per 10 kg during the week.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Mumbai +VAT	735	730	725	725	725	730
Rajkot +VAT	760	760	760	770	760	770
Andhra Region	705	705	705	705	720	720
Chennai +VAT	690	690	680	685	680	680
Delhi	750	750	770	770	770	770

Sunflower Oil

Spot prices of refined sunflower oil remained in bullish tone on steady demand and lagging sunflower sowing despite weakness in other edible oil and correction in Mumbai market. According to government latest sowing data as on August 10th, sunflower sowing is completed in 6.28 lakh ha against 7.31 lakh ha a year ago. The Kharif sunflower crop in vegetative to flowering stage in Karnataka and

expectation of isolated rainfall would remains supportive for growing crop. The sunflower oil CIF prices for August shipment traded in range of \$1062-1072 per tonne on during the weak. Tight supplies in global markets and firmness 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	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Mumbai +VAT	570	570	565	565	565	570
Chennai +VAT	575	575	570	570	572	572
Hyderabad +VAT	575	575	575	575	575	575

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Kandla & Mumbai	1072	1072	1067	1067	1067	1062

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil remained weak most of the week following lackluster trade activities and sluggish demand. As per trade sources, market is expecting cottonseeds oil in oil year (2007-08) is expecting over 1.1 million tonne as compared to 9 lakh tonne in current oil year. As per government latest sowing data reflected the sowing is completed in 8.62 million hectares as compared

to 8.17 million hectares a year ago and more sowing to data to come. The International cotton prices had been increased by more than 6% in July reflected the bullishness in cotton maintained in overseas market. Traders are expecting prices to move up in short-term due to festive demand and underlying firmness in other edible oil.

Prices for Refined Cotton Oil during this week

Markets	06.08.07	07.08.07	08.08.07	09.08.07	10.08.07	11.08.07
Mumbai +VAT	494	490	490	492	495	495
Hyderabad +VAT	495	495	495	495	500	500
Rajkot +VAT	495	490	490	500	500	498
Delhi	490	490	480	480	480	480

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

CBOT Soy Futures Finish Mixed

Soy futures ended mixed on Chicago Board of Trades. November soybeans closed 6 cents down at \$320.28 per MT. August soybeans finished down 8 cents at \$ 312.29 per MT. December soy meal closed merely \$0.1 up at \$265.87 per MT. December soybean oil ended 0.44 down

at \$821.21 per MT. Below expected USDA world supply and demand estimate, selling pressure and tearing bullish weather conditions in next week cast weakness for soy futures on Chicago Board of Trades. Lack of uncertainty in financial market added the bearish advice into market.

BMD CPO Futures Finish Down Following CBOT

Weakness in other commodities including bearish CBOT soy futures and improved palm oil stocks in July dragged crude palm oil futures down on Friday at Bursa Malaysian Derivatives despite bullish exports sales in August. Malaysian palm oil exports for the period of August 1-10 highlighted exports rose by 20.1% at 374,913 tonnes against 312,144 tonnes same period in June. The most

active October contract of crude palm oil futures settled MYR20 down at MYR2,515 per tonne. Malaysian Palm oil Board (MPOB) also released the July production and stocks data aided the bearishness. July crude palm oil production increased 16.3% at 1.36 million tonne to 1.17 million tonne a month ago while stock gained by 9% at 1.31 million tonnes against 1.2 million tonnes last month.

WEEKLY WEATHER WATCH

A low pressure area has formed over NW Bay of Bengal off Orissa coast. It is likely to intensify further and move northwest direction . Under its influence widespread rainfall with isolated very heavy fall is expected over Orissa, Gangetic West Bengal, Jharkhand, Chhattisgarh and Bihar during next 2-3 days. The axis of the monsoon trough at sea level passes through Jaisalmer, Sikar, Aligarh, Gorakhpur, Bhagalpur, Asansol, the centre of the low pressure area, and thence southeastwards to east-central Bay of Bengal. Western end of monsoon trough is likely to shift towards western Himalaya during next 48 hrs. Rainfall activities is likely to increase along hilly region of western Himalaya. Model predictions also suggest that another low pressure area is likely to form over north Bay of Bengal around 14 August,07. Under its influence rainfall activity over eastern parts of country may continue during the week.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: H.P. and Uttaranchal is likely receive scattered to fairly widespread rains during 11-13 August. Isolated rainfall is likely over rest of the region.

EAST AND NE INDIA: Fairly widespread to widespread rainfall with isolated heavy fall is likely over Orissa, West Bengal, Jharkhand and Bihar during 4-5 days. Scattered rainfall is likely over East U.P. and NE States during next 3-4 days.

CENTRAL INDIA: Scattered rainfall is likely over Chhattisgarh and Vidarbha during next 2 days then increase thereafter. Isolated rainfall is likely over M. P. during next 2 days then increase thereafter.

SOUTH INDIA: Fairly widespread rainfall with isolated very heavy fall is likely over coastal A.P. and Coastal Karnataka during next 2-3 days. Scattered rainfall is likely over Telangana, Rayalseema, Interior Karnataka, Kerala, Tamilnadu and Pondichery.

WEST INDIA: Fairly widespread rainfall with isolated heavy rainfall over Konkan & Goa, Madhya Maharastra likely during next 2-3 days. Scattered rainfall is likely over Marathwara, Gujarat and East Rajsthan during 3-4days.

Source:NCMRWF

PORT WATCH

Port updates of edible oils in India (August 06-11th, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CFA	2,000	-	2,000
CPO	9,000	5,220	14,220
Palm oil	48,007	12,900	60,907
CDSBO	29,349	27,500	56,849
Total	88,356	45,620	133,976

Source: ANAS

Forex Rates:**(August 11th 2007)**

Country/ Continent	Currency	Value in Rupees	
		06.08.2007	11.08.2007
USA	Dollar	40.45	40.67
European Union	Euro	55.94	55.51
Japan	100 Yen	34.39	34.49
United Kingdom	Pound Sterling	82.70	82.03

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