

MAJOR WEEKLY HIGHLIGHTS

- Domestic News
- USDA Weekly Export Sales Highlights
- Major Importing Countries of Malaysia's Palm Oil
- SGS estimates: August 1-25 Malaysian Palm oil Exports increased by 20.1%
- Weekly Weather Report
- Port Wise: Weekly Import of Vegoil

DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 5,800 MT resulted as increases for Indonesia (30,700 MT), Taiwan (21,600 MT), Malaysia (11,000 MT), and Vietnam (10,000 MT), were partially offset by decreases for China (26,000 MT), Cuba (19,000 MT), and Japan (18,400 MT). Net sales of 952,000 MT for delivery in 2007/08 (which begins September 1) were primarily for China (528,000 MT, including 55,000 MT switched from

2006/07), unknown destinations (193,000 MT), and Japan (103,500 MT). Exports of 270,600 MT were 55 percent above the week earlier and 14 percent over the prior 4-week average. The primary destinations were Japan (87,600 MT), China (60,000 MT), Mexico (53,500 MT), and Taiwan (32,500 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 144,900 MT were 52 percent above the previous week and 57 percent over the prior 4-week average. Increases reported for the Philippines (82,600 MT), Mexico (25,000 MT), Saudi Arabia (18,000 MT), and Canada (17,400 MT), were partially offset by decreases for Cuba (18,000 MT), unknown destinations (8,000 MT), and Guatemala (6,000 MT). Net sales of 111,700 MT for delivery in 2007/08 were primarily for Mexico (73,900 MT),

Cuba (20,000 MT, switched from 2006/07), and unknown destinations (7,000 MT). Exports of 107,500 MT were 10 percent below the prior week and 18 percent under the previous 4-week average. The major destinations were Mexico (30,400 MT), Canada (22,100 MT), Panama (12,700 MT), Cuba (11,000 MT), and Egypt (8,700 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 19,600 MT resulted as increases for Morocco (15,000 MT, switched from unknown destinations), Mexico (7,600 MT), the Dominican Republic (5,300 MT), and Jamaica (4,200 MT), were partially offset by decreases for

unknown destinations (15,000 MT). Exports of 28,000 MT were mainly to Morocco (15,000 MT) and South Korea (11,200 MT). Source: USDA

Malaysian Palm Oil Exports Rise 20.5% During August 1-20: SGS

SGS (a cargo surveyor) estimated Malaysian palm oil exports for the period of August 1-20 highlighted exports rose by 20.5% at 769,315 tonnes against 638,163 tonnes

same period in July. To India, palm oil exports dropped 16.06% at 34,435 tonnes during August 1-20 against 41,142 tonnes same period a month ago.

Oilseeds Sowing Complete 16.79 Million Hectares

The recent figures of sowing highlighted total oilseeds plantation completed in 16.79 million hectares as on August 24, vs 15.54 million hectares a year ago. Soybeans sowing

completed in 8.68 million ha as compared to 7.97 million hectares last year. Groundnut is completed in 5.09 million ha against 4.49 million ha in 2006.

Cotton: Gujarat Likely to Contribute More Than 10 Mln Bales

The cotton production in Gujarat is expected to cross 10 million bales during the crop year 2007-08. Everything is normal and the weather is highly favourable for the cotton crop. But, a complete picture will be available only by mid-October, according to sources. They also said that Indian cotton export would rise to about 4.6 million bales in 2007-08 crops. In the last year i.e. 2006-07 cotton seasons, which ends Aug 31, Gujarat contributed 9.3 million bales of

cotton, followed by Maharashtra with a production of 5.2 million bales and Andhra Pradesh with 3.2 million bales, according to the Cotton Advisory Board. Gujarat farmers, encouraged by remunerative earnings, have continued to reline their faith in genetically modified (GM) Bt cotton and as a result the acreage under it increased to 2.5 million hectares.

India: Cotton Prices Expected to Remain Steady to Up in Near Future

Cotton prices are likely to remain steady to up in the near future and the current trend in Indian cotton export and consumption is expected to continue. Enquiries and some commitments for cotton exports have already started. Crop progress is encouraging for 2007-2008 crops in the country.

Higher production, improvement in yield and increasing quality awareness among farmers, traders and the industry will augur well for the cotton sector in 2007-2008. This will result in better price realisation. The advent of Bt cotton has helped farmers not only in yield but also in value terms.

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 1-20, 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 EU and China increased by 26.06% and 64.88% respectively on improved demand compared to the corresponding period under review while USA and India registered a drop in imports by 17.54% and 16.06% on sluggish demand.

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

(Unit: MT)

Countries/Continents	August 1-20	July 1-20	Change %
European Union	89,763	71,205	26.06
China	234,549	142,254	64.88
United States	76,866	93,213	-17.54
India	34,535	41,142	-16.06

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Improved supplies, weakness in other edible oil and delay in festive demand dragged palm oil lower domestically. BMD CPO futures recovered from last week on bullish

exports figures, Chinese buying and good buying support from Indonesian refineries and traders to meet supplies commitment in local markets as well as to avoid the

expected hike in exports taxes. However, gains were capped by fears of improved CPO stocks and production by August end. The higher prices of Malaysian palm oil in July month and discounted soy oil results in fall in July palm oil import in China by 39.5% at 336,979 tonnes to June. According to SGS, Malaysian palm oil exports for the period of August 1-20 highlighted exports rose by 20.5% at

769,315 tonnes against 638,163 tonnes same period in July. The most active November contract of crude palm oil futures traded between MYR2,366-2,430/tonne (MYR2,378-2,514/tonne last week). In current week, crude palm oil CIF prices for September shipment traded between \$765-803/tonne (\$770-795/tonne last week).

Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Kandla& Mumbai	765	802	800	787	803	790

Weekly prices for CPO

(Rs/ 10 kg)

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Kandla	419	417	417	417	416	417

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Kandla +VAT	453	451	453	448	450	450
Mumbai +VAT	452	450	452	451	450	450
Chennai +VAT	446	446	448	450	457	457
Kakinada +VAT	442	442	444	442	441	441
Hyderabad +VAT	455	462	462	465	462	462
Delhi	495	495	490	488	490	490

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
CPO	757	745	760	NA	767	765
RBD Palmolein	772	765	782	NA	787	785

MC: Market Closed

Soybean Complex

Comfortable oil stocks positions with traders, rising production [August] prospects of Malaysian palm oil & good crop conditions for soybean kept the soy-complex sentiments subdued. As per latest figures from agriculture ministry, the total coverage of oilseeds so far has been 167.93 lakh ha as compared to 155.41 lakh ha on August 23, last year. Soyabean has been sown in 9 % higher area as compared to that in 2006. Domestically, soybean prices continued to drift lower; both across spot markets and plants. The prices of soybean across spot markets and plants softened by Rs 20/qlt to Rs 1450-1570/qlt and Rs 1510-1600/qlt respectively. The daily average arrivals

declined to 34,000 bags from previous week's average of around 40,000 bags. Soy oil followed the suit. The CIF prices for crude soy oil for September shipment declined to \$ 853-865/MT from previous week's \$ 855-902/MT. The soy oil prices in Indore declined to Rs 460-468/10 Kg from previous week's Rs 468-473/10 Kg. Improving prospects of Indian soymeal exports for ensuing months coupled with weather looming soybean crop yield in US is likely to support soy complex in near term. With Ramadan and Mid Autumn festival [China] due in September, higher prices of palm and soy oil are unlikely to see demand compression in near term.

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

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Mumbai +VAT	472	469	472	469	465	464
Indore +VAT	468	466	467	465	460	458
Kota +VAT	470	471	470	469	466	466
Jaipur +VAT	478	478	478	477	475	475
Hyderabad +VAT	490	490	490	490	485	485
Chennai +VAT	488	485	485	480	480	480
Rajkot +VAT	460	461	461	460	458	460

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

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Mumbai	448	448	446	448	445	443

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

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Kandla & Mumbai	865	861	853	863	857	871

MC: Market Closed**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. Strengthening prospects of Kharif oilseed production is also seen to be limiting mustard seed prices across domestic markets. During the week, the average daily arrivals stood at 15,000 to 20,000 bags, a decline of 5,000 bags over previous week's arrivals. Prices of Condition and Non-Condition seeds softened by Rs 50

and Rs 20 per qtl to Rs 2070-2250/qrtl and Rs 1840-1900/qrtl respectively. Prices of mustard expeller oil in Kota declined to Rs 406-465/10 Kg from previous week's Rs 460-468/10 Kg. Good soybean production estimates in Rajasthan this season is pressuring mustard seed prices well ahead of its harvesting period. Relatively lower prices of soybean in Rajasthan are diverting miller's interest from mustard seeds to soybean with its implication seen as steady to weak mustard seed prices in Kota region.

Prices for Rape Expeller Oil**(Rs/ 10 kg)**

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Mumbai + VAT	491	490	490	488	487	487
Kota +VAT	460	460	460	460	465	462
Jaipur +VAT	468	468	468	468	472	468
Delhi	498	498	495	493	495	490
Neewai +VAT	460	460	460	460	463	463

Groundnut Oil

Spot prices of groundnut complex reflected mixed sentiments across physical markets. Prices of groundnut oil declined in Gujarat on apprehension of good crop conditions and improved selling, whereas tight supplies and steady demand strengthened prices in rest of markets. The

area under groundnut crop has increased by around 15-16% this season. The seeds demand also remains weak as major buyer 'Expeller' remained disinterest to accelerate the crushing on poor offtake of oil at their ends. Early sown Kharif groundnut in vegetative/flowering stages in Andhra

Pradesh, Gujarat and Maharashtra. Early sown crop in peg formation stage in Karnataka while sowing is continue in Tamil Nadu. As per government latest figures groundnut sowing is completed in 5.09 million hectares on August

24th as compared to 5 million hectares as on August 17th vs 4.49 million hectares a year ago. In Rajkot market groundnut oil traded between Rs. 765-780 per 10 kg.

Prices for groundnut oil during the week

(Rs/10 kg)

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Mumbai +VAT	710	710	710	705	715	710
Rajkot +VAT	770	780	775	770	765	770
Andhra Region	705	705	705	710	705	705
Chennai +VAT	660	660	660	675	675	675
Delhi	760	760	760	750	750	750

MC: Market Closed.

Sunflower Oil

Spot prices of refined sunflower oil trapped bearish on steady demand, improved seeds arrivals from Tamil Nadu and lagging sunflower sowing. According to government latest sowing data as on August 17th, sunflower sowing in completed in 6.44 lakh ha against 6.28 million ha last week and 7.52 lakh ha same period a year ago. Kharif crop in

good progress in Maharashtra. However, losses were capped by firmness in global market of related commodity. The sunflower oil CIF prices for September shipment traded in range of \$1013-1043 per tonne on during the week. 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	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Mumbai +VAT	545	545	545	545	540	540
Chennai +VAT	550	545	545	545	545	545
Hyderabad +VAT	545	550	550	550	545	545

MC: :Market Closed.

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Kandla & Mumbai	1043	1043	NA	1035	1013	1013

MC: Market Closed.

Refined Cottonseeds Oil

A bright outlook for cotton production this year has not affected prices of cottonseed oil across domestic markets. Slightly improved demand for cottonseeds oil in domestic markets helped see the prices settle up. Since prices of cotton seed oil are cheaper in comparison to groundnut oil in Gujarat, the oil is finding good acceptance at consumer's levels. The bulky expectation of cottonseeds oil in upcoming Kharif season at 1.1 million tonnes as compared to 0.9 million tonnes last year and sluggish demand forces market to trade down. The expectation of expansion of Bt. Area at 37% to last year with better oil recovery by 1-2% from 11% from normal varieties supported the downsides. On one hand, where India is awaiting for bumper harvest in

upcoming Kharif season, the adverse weather conditions and virus attack deteriorated the crop condition in Punjab. Where crop damage is likely to stay between 10-20% in upcoming Kharif season. The cotton production is expecting near 40 lakh bales against 55 lakh bales in earlier projection. As per market observers, the production sentiments are bullish for upcoming Kharif season. Gujarat is expecting to produce 9.3 million bales, Maharashtra is likely at 5.2 million bales followed by Andhra Pradesh at 3.2 million bales would sufficient to reflect bearishness on refined cottonseeds oil in main trading markets. 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	20.08.07	21.08.07	22.08.07	23.08.07	24.08.07	25.08.07
Mumbai +VAT	492	492	492	492	495	490
Hyderabad +VAT	490	492	490	485	480	480
Rajkot +VAT	494	494	492	492	485	483
Delhi	480	485	485	475	475	465

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

CBOT Soy Futures Finish Up

November soybean closed up 6.75 cents at \$ 317.81 per MT. September Soybeans finished up 7 cents at \$ 311.92 per MT. December Soymeal closed up at \$ 1.1 at \$ 265.32 per MT. December Soybean Oil finished up at 0.694 at \$ 808.43 /MT. Fund buying on weather concern over soybean crop supported soy futures at CBOT. Strength in energy

markets aided the move. Soybean crop in South continues to be under stress of hot and dry weather while flood like conditions in north seem to pose threat to soybean yield. Traders are keeping a close watch on crop tour in Midwest to get further insights on crop conditions and potential yield estimates.

BMD CPO Futures Finish Down

Lack of clear direction, await for fresh exports data, lackluster trading activities results sluggish crude palm oil futures on Friday on Bursa Malaysian Derivatives. The most active November contract of crude palm oil futures settled unchanged at MYR2,430 per tonne to yesterday's

closing. As well losses were capped by buying interest in physical market. The Malaysian exports data for August 1-25 at expecting at 936,720 tonne. The lot size increased at 10,096 lots vs 7,801 lots on Thursday.

WEEKLY WEATHER WATCH

At present the axis of the monsoon trough passes through Ferozepur, Muzaffarnagar, Varanasi, Purulia and thence southeastwards to east central Bay of Bengal. Models predictions continue to suggest gradual shifting of monsoon trough towards foothills of the Himalayas during next 2-3 days. Under this scenario, enhanced rainfall activity with isolated heavy to very heavy fall is likely over northeastern states, Sub-Himalayan West Bengal & Sikkim and Bihar during next 4-5 days At present a cyclonic circulation lies over west central Bay of Bengal off Andhra Pradesh coast extending up to the mid-tropospheric level. Under its influence, scattered to fairly widespread rainfall is likely over north Tamil Nadu and Andhra Pradesh during next 2 days. Models predictions suggest that a weak western disturbance (W.D.) is expected to move across hilly regions of NW India during 26-27 August. Under the combined influence of this W.D. and monsoon trough in foot hills, J&K, H.P. and Uttarakhand are likely to experience fairly widespread rainfall during next 3 days from tomorrow.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: J&K, H.P. and Uttaranchal are likely to receive scattered showers during next 3-4 days. Haryana, Delhi and west Uttar Pradesh are likely to experience isolated showers from 26 August.

EAST AND NE INDIA: Fairly widespread rainfall with isolated heavy fall is expected over Sub -Himalayan West Bengal and NE States during next 4-5 days. Scattered to fairly widespread rainfall is likely over Bihar and East U.P. Isolated rainfall is likely over rest of region.

CENTRAL INDIA: Fairly widespread showers are likely over Vidarbha; scattered over Chattisgarh. Isolated rainfall is likely over rest of region.

SOUTH INDIA: Scattered rainfall is likely over Coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands. Scattered rainfall activity is also likely over Tamilnadu and Rayalseema. Isolated rainfall is likely over rest of the region.

WEST INDIA: Fairly widespread rainfall is likely over Konkan & Goa, Madhya Maharastra and West Rajasthan during next 24-36 Hrs. then scattered rainfall may continue over Konkan & Goa only. Isolated rainfall over rest of the region.**Source:NCMRWF**

PORT WATCH

Port updates of edible oils in India (August 20-25th, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CFA	2,000	-	2,000
CPO	19,119	-	19,119
Palm oil	14,000	-	14,000
Palm oil Product	32,614	12,000	44,614
CDSBO	35,025	11,000	46,025
Total	102,758	23,000	125,758

Source: ANAS

Forex Rates:

(August 25th 2007)

Country/ Continent	Currency	Value in Rupees	
		25.08.07	20.08.07
USA	Dollar	41.18	41.57
European Union	Euro	56.18	55.74
Japan	100 Yen	35.38	36.92
United Kingdom	Pound Sterling	82.77	82.14

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.