



Commodities Weekly

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VEGOIL

Sep 10th-Sep 14th, 2007

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 346,500 MT for the 2007/08 marketing year (which began Sept. 1) were primarily for China (142,500 MT, including 20,000 MT switched from unknown destinations), Japan (89,100 MT), and unknown destinations (44,000 MT). A total of 946,300 MT in sales were outstanding on August 31 (the end of the marketing year) and carried over to the 2007/08 marketing year. Final

shipments of 27,300 MT for August 31 were primarily to Taiwan (9,900 MT) and Mexico (9,600 MT). Accumulated exports for the year were 30,288,300 MT--up 19 percent from the 25,510,300 MT reported the year earlier. Exports for September 1-6 of 110,500 MT were mainly to Taiwan (32,900 MT), China (20,500 MT), Mexico (17,400 MT), Israel (15,500 MT), and Egypt (15,400 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 35,400 MT were 7 percent above the previous week and 64 percent over the prior 4-week average. Increases for Mexico (19,800 MT), Canada (9,300 MT), Japan (8,200 MT), Nicaragua (7,600 MT, switched from Guatemala), and the Dominican Republic (6,300 MT), were partially offset by decreases for Guatemala (9,300 MT), Vietnam (4,200 MT), Panama (3,400 MT), and Indonesia

(3,300 MT). Net sales of 18,700 MT for delivery in 2007/08 were primarily for Guatemala (6,000 MT), Vietnam (6,000 MT), and Indonesia (5,400 MT). Exports of 99,000 MT were 13 percent below the prior week and 11 percent under the previous 4-week average. The major destinations were Mexico (38,500 MT), Canada (20,900 MT), Nicaragua (7,100 MT), and Guatemala (5,100 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 6,200 MT were primarily for Venezuela (5,900 MT). Exports of 9,600 MT were mainly to Venezuela (7,400 MT) and Mexico (1,900 MT). Source: USDA

WASDE Report on Oilseeds

U.S. oilseed ending stocks for 2007/08 are projected at 6.9 million tons, down fractionally from last month. Soybean production is forecast at 2.6 billion bushels, down 6 million from last month based on lower yield prospects, especially in the South. Other oilseeds are up slightly as higher cottonseed production more than offsets reduced peanut production. Soybean crush is raised 25 million bushels due to stronger projected domestic soybean meal disappearance. Soybean exports are reduced 45 million bushels to 975 million as stronger domestic demand limits exportable supplies. Soybean ending stocks are projected at 215 million bushels, down 5 million from last month, and

down 61 percent from 2006/07. Soybean crush and exports are both raised for 2006/07, leaving ending stocks at 555 million bushels, down 20 million from last month. Soybean oil stocks for 2006/07 are reduced sharply this month reflecting increased domestic use for biodiesel and higher projected exports. The U.S. season-average soybean price range for 2007/08 is projected at \$7.35 to \$8.35 per bushel, up 10 cents on both ends. The soybean meal price is projected at \$205 to \$235 per short ton, up \$5 on both ends. The soybean oil price range is raised 1 cent on both ends to 33 to 37 cents per pound. Global oilseed production for 2007/08 is projected at 390.9 million tons, down 0.4

million tons from last month. U.S. oilseed production is forecast at 80.2 million tons, down fractionally from last month. Foreign production is down 0.4 million tons to 310.7 million tons. Sunflowerseed production is lowered for China, EU-27, and Turkey. Higher production in Argentina partly offsets these reductions. Other foreign changes include reduced peanut production for China, reduced

soybean production and increased rapeseed production for Canada, and increased cottonseed production for Brazil. Global oilseed stocks for 2007/08 are raised 0.1 million tons to 57.8 million tons as increased rapeseed stocks in Canada and sunflowerseed stocks in Argentina are mostly offset by reduced soybean stocks in Brazil. Source: USDA

Malaysian Palm oil Exports Surge 11.7% in August: MPOB

Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for August. Palm oil exports rose 11.7% at 1.24 mmt from 1.1 mmt a month ago. Crude palm

oil production increased 14.8% at 1.56 mmt against 1.36 mmt last month ago while stock improved 11% at 1.45 mmt vs 1.31 mmt a month ago.

Malaysian Palm Oil Exports Down 10.7% Between September 1-10: SGS

SGS (a cargo surveyor) estimated Malaysian palm oil exports for the period of September 1-10 highlighted exports dropped by 10.7% at 334,800 tonne from 374,913

tonnes same period in August. To India, palm oil exports nearly by 2 times at 8,750 tonne from 25,615 tonnes during August 1-10.

Domestic Vanaspati Production is Expects to down 5.2%

Domestic vanaspati production in current oil year (Nov-Oct) is expecting to down 5.2% at 1.09 mmt vs last year due to cheaper and massive inflow of duty free vanaspati from

neighbor countries like Nepal and Sri Lanka. Currently 120 units are operational out of installed 267 units.

Madhya Pradesh: Record Cotton Acreage Observe

The private estimates have placed cotton acreage at a record 670,000 hectares in 2007-08, which compares to 630,000 hectares of 2006-07 in Madhya Pradesh. Around 15% of the crop is estimated to be irrigated, with the remainder dryland, and it is believed that nearly 400,000 acres have been planted to BT varieties. At present, the

cotton crop's condition is excellent, with picking of the irrigated crop expected to begin in mid-September. Yields are estimated to be high at 600 kilograms/ha, which should place total state production at approximately 2.36 million bales, a volume sharply higher than last season.

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

Estimation of exports sale figure issued by Cargo Surveyor SGS for the period of September 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 increased to EU, China and USA by 4.62%, 27% and 53.67% respectively on improved demand compared to the corresponding period under review while India registered a drop in exports by 50.23% on sluggish demand.

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

(Unit: MT)

Countries/Continents	September 1-10	August 1-10	Change %
European Union	121,662	116,289	+4.62
China	51,600	40,630	+27.00
United States	39,362	25,615	+53.67
India	8,750	17,580	-50.23

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS**Palm Oil**

Outpaced supplies to demand, fears of hefty supplies in short-terms as reflected by current vessel positions at different ports slowed down trade activities across domestic markets. In current oil year (Nov-Dec), domestic vanaspati production is expecting to down 5.2% at 1.09 mmt vs last year due to cheaper and massive inflow of duty free vanaspati from neighbor countries like Nepal and Sri Lanka. Currently 120 units are operational out of installed 267 units. BMD CPO future gained on strong buying coupled with bullish-trends in CBOT. SGS, a cargo surveyor estimated Malaysian palm oil exports for the period of September 1-10; highlighted exports dropped by

10.7% at 334,800 tonne from 374,913 tonnes same period in August. Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for August. Palm oil exports rose 11.7% at 1.24 mmt from 1.1 mmt a month ago. Crude palm oil production increased 14.8% at 1.56 mmt against 1.36 mmt last month ago while stock improved 11% at 1.45 mmt vs 1.31 mmt a month ago. The most active November contract of crude palm oil futures traded between MYR2,500-2,540/tonne (MYR2,459-2,470/tonne last week). In current week, crude palm oil CIF prices for September shipment traded between \$787-805/tonne (765-782/tonne last week).

Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Kandla& Mumbai	787	795	800	805	810	NA

Weekly prices for CPO

(Rs/ 10 kg)

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Kandla	417	417	417	418	419	NA

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Kandla +VAT	450	450	450	451	450	NA
Mumbai +VAT	446	446	446	444	450	NA
Chennai +VAT	468	465	465	465	465	NA
Kakinada +VAT	441	443	442	442	446	NA
Hyderabad +VAT	468	465	465	465	458	NA
Delhi	490	490	485	485	485	NA

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
CPO	752	755	757	767	762	NA
RBD Palmolein	785	790	777	805	822	NA

MC: Market Closed

Soybean Complex

The week witnessed fresh arrivals of soybean in MP; quoted at Rs 1531/qrt [Indore]. Arrivals are likely to increase steadily next week onwards. On good export enquiries and contracts for soymeal exports [\$ 310-330/MT, FOB Kandla port], plant delivery rates for soybean stood firm while spot prices of soy oil and soybean stood steady to weak. Spot prices softened marginally by Rs 25-30/qrt to Rs 1470-1580/qrt while plant delivery rates stood at Rs 1550-1640/qrt against Rs 1480-1650/qrt last week. The CIF prices for crude soy oil for September shipment firmed up by \$ 32/MT to \$ 885-912/MT. The soy oil prices in Indore stood steady at Rs 456-469 per 10 Kg with prices softening from Rs 459/10 Kg on Monday to Rs 455-456/10 Kg by

weekend. Domestically, mature soybean crops are likely to be picked next week onwards however it's underway in US. Amidst comfortable [September, USDA Monthly S&D] world soy oil and soymeal production figures at 37.62 MMT and 160.30 MMT, an estimated marginal decline in US soybean production to 71.27 MMT is unlikely to flare up its prices in near term. However, lower carry forward stocks of soybean in US [5.86 MMT] coupled with steady soybean output in China [15.20] is strengthening export prospects for Indian soymeal. Sentiments for soy complex are likely to remain steady to weak with intermittent firmness likely in soy oil and meal prices on global advices.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Mumbai +VAT	464	463	463	462	466	NA
Indore +VAT	459	457	456	456	456	NA
Kota +VAT	463	463	463	462	462	NA
Jaipur +VAT	477	477	477	477	477	NA
Hyderabad +VAT	481	481	490	492	495	NA
Chennai +VAT	475	475	475	475	480	NA
Rajkot +VAT	460	460	460	460	460	NA

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Mumbai	446	446	447	447	449	NA

Rise in Crude Soy oil CIF during the week

(US \$/ MT)

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Kandla & Mumbai	885	889	896	912	924	NA

MC: Market Closed

Mustard Complex

Tracking weak cues from soy-complex, mustard complex followed the suit. Harvest pressure of kharif oilseed crops was well noticed on spot prices of mustard seeds also. Amidst steady arrival pressure of 15,000 to 20,000 bags, prices of Condition seed softened by Rs 10-25/qrt to Rs 2050-2275/qrt while that of Non-Condition seeds stood steady at Rs 1790-1900 per qrt. By end of week, the prices of seeds softened by Rs 20, Rs 40, Rs 15, Rs 25, Rs 15 per qrt across Jaipur, Alwar, Delhi, Agra and Ganganagar regions respectively. Prices of mustard expeller oil in Kota

region stood steady at Rs 460 per 10 Kg against last week's levels of Rs 455-462/10 Kg. With monsoon rains forecasted to be delayed by week's time, rain showers are expected over mustard growing regions of Rajasthan and Gujarat by month end. Late monsoon rains and favorable soil moisture profile during sowing and early planting establishments are key factors for good mustard/rapeseed crop in terms of production and acreage for following Rabi season.

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

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Mumbai + VAT	482	483	481	480	481	NA
Kota +VAT	460	460	460	460	458	NA
Jaipur +VAT	468	468	468	468	466	NA
Delhi	490	490	490	492	492	NA
Neewai +VAT	460	460	460	460	459	NA

Groundnut Oil

The improved supplies from stockists, poor demand and lackluster trading triggered weakness in groundnut seeds and oil prices domestically. The harvesting season is nearly approaching and arrivals of new crop are likely to hit market from October onwards. Traders are expectation good production of Kharif groundnut well supported by Central Organization of Oil Industry and Trade (COOIT) figures in 1st advance estimation that highlighted groundnut seeds production is likely to remains at 46 lakh tonnes up from 35

lakh tonnes last year. Kharif groundnut crop in late vegetative/flowering stages Karnataka, Maharashtra and Gujarat. Early sown crop in peg formation stage in Andhra Pradesh, Karnataka and Maharashtra, while sowing is tailing end in Tamil Nadu. The prices of groundnut seeds for different qualities traded between Rs. 410-560 per 20 kg in different market in Gujarat during the week. In Rajkot market groundnut oil traded between Rs. 750-770/10 kg (last week was Rs. 760-770 per 10 kg).

Prices for groundnut oil during the week**(Rs/10 kg)**

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Mumbai +VAT	710	710	710	715	715	NA
Rajkot +VAT	770	755	755	750	760	NA
Andhra Region	700	700	700	700	700	NA
Chennai +VAT	665	665	665	665	660	NA
Delhi	740	740	740	750	750	NA

MC: Market Closed.**Sunflower Oil**

The CIF prices of sunflower oil and crossed psychological barrier of \$1200 per tonne coupled with bullish global markets lent support to refined sunflower oil domestically, however gains were capped by poor demand and weakness in other vegetable oil. As per reports, the 2007, domestic sunflower seed production is expecting to down at 4.5 lakh hectares from 5.40 lakh tonnes last year.

According to government latest figures on oilseeds sowing, highlighted sunflower acreage is still lagging at 7.21 lakh hectares on September 7th from 7.06 lakh hectares on August 31st and 8.17 lakh hectares a year ago. Traders are expecting buoyancy in oil prices would maintain in spot markets in coming days on underlying firmness in overseas market of related commodity.

Prices for Refined Sunflower Oil during this week**(Rs/10Kg)**

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Mumbai +VAT	560	565	565	560	565	NA
Chennai +VAT	560	560	570	570	570	NA
Hyderabad +VAT	555	555	550	550	555	NA

MC: :Market Closed.**Prices for CIF Sunflower during the week****(US \$/ MT)**

Center	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Kandla & Mumbai	1148	1148	1175	1198	1213	NA

MC: Market Closed.

Refined Cottonseeds Oil

Steadiness in cotton prices, subdued demand and lackluster trading activities supported the market but bullish global cues reflected some support. Temporarily, stockists hold back the stocks boosted the market. The early sown crops are at vegetative / flowering stage in Maharashtra, AP, Gujarat, Punjab, Haryana and Rajasthan. Picking of

cotton is going on in Tamil Nadu. Traders are expecting the higher prices of refined cottonseeds oil are unviable domestically because it squeezed the demand as well as anticipation of arrivals pressure would weigh on prices of refined cottonseeds oil in short-term.

Prices for Refined Cotton Oil during this week

Markets	10.09.07	11.09.07	12.09.07	13.09.07	14.09.07	15.09.07
Mumbai +VAT	482	482	482	480	480	NA
Hyderabad +VAT	485	485	485	485	485	NA
Rajkot +VAT	483	480	478	478	480	NA
Delhi	475	475	475	470	470	NA

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

Soy Futures Settled Up at CBOT

November soybean finished up 2.75 cents at \$ 345.72 per MT. January soybeans finished up 2.5 cents at \$ 351.23 per MT. December Soybean closed unchanged at \$ 287.81 per MT. December Soybean Oil finished up at 0.15 at \$ 874.57 /MT. Prices for soybean traded almost range bound with firm bias on account of reports of possible frost in

North belt of Corn regions. Weekly export sales came in at 3.46 lakh MT for soybeans. Meal sales came in at 54,100 metric tonnes, also within trade expectations between 50,000 and 100,000, and oil sales came in at 6,200 metric tonnes, which was within trade expectations between 0 and 20,000.

BMD CPO Futures Gains on Strong Buying

Strong festive buying interest, sharp gains in CBOT strengthened crude palm oil futures on Bursa Malaysian Derivatives. The most active November contract of CPO futures gained MYR 52 at MYR 2,592 per tonne to previous closing level. To meet the export commitments, a trading

company purchased good quantity of palm olein lent some support. Trading volume rose sharply and totaled at 8,405 lots, down from Thursday's 10,835 lots. Open interest declined slightly at 54,172 lots from 54,378 lots yesterday.

WEEKLY WEATHER WATCH

A low pressure area lies over coastal areas of West Bengal & north Orissa. Under its influence, fairly widespread rainfall with isolated heavy to very falls is likely to occur over north Orissa and Gangetic West Bengal during next 48 hrs. Model prediction suggests that scattered to fairly widespread rainfall activity is likely over south peninsular India and NE States during next 4-5 days. But, most parts of northwest India (except hilly regions) and central India (except East M.P.) are likely to have subdued rains during next week. Model predictions suggest that another low pressure area is likely to form over west central Bay of Bengal and adjoining coastal A.P. around 20th September.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Isolated thundershower is likely over the region.

EAST AND NE INDIA: Fairly widespread to widespread rainfall with isolated heavy fall is expected over Orissa,

Gangetic West Bengal, Arunachal Pradesh, Assam and Meghalaya during next 2-3 days. Fairly widespread rainfall is likely over Jharkhand. Scattered rainfall is expected over Bihar and isolated over East U.P.

CENTRAL INDIA: Scattered rainfall is likely over East M.P. after next 48 hrs. Isolated to scattered rainfall is likely over the region.

SOUTH INDIA: Scattered to fairly widespread rainfall is likely over Tamil Nadu, Kerala, South Interior Karnataka and Lakshadweep during next 3-4 days. Scattered rainfall activity is also likely over Coastal Karnataka and Andaman and Nicobar islands. Isolated rainfall activity is also likely over rest of the region.

WEST INDIA: Scattered rainfall is likely over Konkan & Goa and Madhya Maharashtra.

Isolated rainfall is likely over rest of the region (except West Rajasthan) during next 4-5 days. **Source:NCMRWF**

PORT WATCH

Port updates of edible oils in India (September 10-14, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	8,000	53,277	61,277
Palm oil Product	77,629	-	77,629
Palm oil	20,248	-	20,248
CDSBO	-	22,000	22,000
Total	105,877	75,277	181154

Source: ANAS

Forex Rates:

Country/ Continent	Currency	Value in Rupees	
		14.09.07	10.09.07
USA	Dollar	40.45	40.63
European Union	Euro	56.09	55.96
Japan	100 Yen	35.15	35.90
United Kingdom	Pound Sterling	81.72	82.42

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