

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 513,600 MT were 48 percent above the previous week. Increases reported for Japan (153,700 MT), China (141,100 MT, including 60,000 MT switched from unknown destinations), Germany (64,700 MT, including 60,000 MT switched from unknown destinations), Mexico (58,800 MT), and Taiwan (30,800 MT), were partially offset by decreases for unknown destinations

(18,400 MT) and Guatemala (6,500 MT). Exports of 404,500 MT were nearly three times the week earlier and 44 percent above the prior 4-week average. The primary destinations were China (121,100 MT), Japan (77,100 MT), Germany (64,700 MT), Mexico (52,500 MT), and Syria (23,800 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 49,500 MT were 40 percent above the prior week. Increases for Turkey (16,000 MT), Venezuela (14,000 MT), the Philippines (10,900 MT), Canada (7,500 MT), and unknown destinations (7,000 MT), were partially offset by decreases for Indonesia (5,700 MT), the Dominican Republic (4,900 MT), and Ecuador (3,200 MT). Net sales of 149,800 MT for delivery in 2007/08 (which begins Oct. 1) were primarily for Mexico (45,700 MT), the

Philippines (36,000 MT), unknown destinations (16,000 MT), Guatemala (14,000 MT), and Canada (11,500 MT). Exports of 104,600 MT were 6 percent above the previous week, but 1 percent under the prior 4-week average. The major destinations were Canada (28,200 MT), Mexico (19,200 MT), Saudi Arabia (17,700 MT), Ecuador (10,800 MT), and Japan (10,100 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 6,300 MT resulted as increases for South Korea (11,000 MT, switched from unknown destinations), Mexico (2,800 MT), Haiti (1,700 MT), and Canada (1,600 MT), were partially offset by decreases for unknown

destinations (11,000 MT). Exports of 24,500 MT were mainly to South Korea (11,000 MT), Jamaica (4,200 MT), Venezuela (4,000 MT), and the Dominican Republic (2,500 MT). Source: USDA

The Duty-Free Vanaspati Import from Sri Lanka Set at 312,000 tonnes

As per reports, despite costlier duty-free imports of vanaspati of Sri Lankan origin, India government fixed the quota at 312,000 tonnes for current financial year ending in

March 2008. Earlier the quota was at 250,000 tonnes annually and later, additional 62,000 tonnes added as modalities of import worked out to sum up 312,000 tonne.

India Exempts the Use and Import of GM Food Stuff

Indian Union Ministry of Environment and Forest exempted the uses as well as imports of GM (Genetically Modified) foods from prior regulatory approval till union ministry set up a new authority to monitor the imports, uses,

manufacturing and exports of GM food stuff. This will smooth the imports of GM soy oil from exporting nations like Argentina, which largely grows the GM soybean.

Malaysian Palm Oil Exports Improve 2.2% Between September 1-15: SGS

SGS (a cargo surveyor) estimated Malaysian palm oil exports for the period of September 1-15 highlighted

exports dropped by 2.2% at 601,562 tonnes up from 588,658 tonnes same period in August.

Malaysian Palm Oil Exports Surge 12.3% During September 1-20: SGS

SGS (a cargo surveyor) estimated Malaysian palm oil exports for the period of September 1-20 highlighted exports increased 12.3% at 864,299 tonne. During August

1-20, it totaled at 769,315 tonnes. While, exports to India totaled at 34,260 per tonne during September 1-20 from 34,535 tonne same period last month.

Gujarat: Cotton Output Likely to Drop by 3 lakh bales in 2007-08

In Gujarat, the cotton production is expected to reach to 90 lakh bales in 2007-08. The cotton acreage in the country is estimated to be at 9 million hectares during the current season. According to Agriculture Department of Gujarat, the total acreage under cotton crop has rose to 25.09 lakh hectare as compared to 23.90 lakh hectare during the same period last year. The department said, the cotton production

in the State is not likely to exceed 90 lakh bales as compared to 93 lakh bales in 2006-07. However, Releasing the first advance crop estimate data for kharif 2007-08, Agriculture Secretary P K Mishra said the government estimate of cotton stood at 22.94 million bales in 2007-08 crop year (June-May) compared to 22.70 million bales last year.

Indian New Cotton Crop Arrivals Picking Up

During the week, the fresh arrivals from the growers and ginneries have been picking up in the country. At the grower level, daily new crop arrivals have rose to 1000-1200 bales/day in Gujarat; while in the Northern Zone, daily arrivals are now up to 9000-10000 bales. However, irregular rain has restricted movement and increased moisture levels in seed cotton. On the prices front, J-34 cotton prices are now prevailed at Rs.1975-1980/maund for September delivery at the gin. In Shankar-6, prices are

staying on firm position. Old Shankar-6 cotton is offering at Rs.20900-21300/candy while new crop is remaining at Rs.19800 - 20000/candy. But the new cop lots are lower quality and have high moisture levels of 16-19%. In Maharashtra, new crop lots are being quoted at Rs.19500-19800/candy. Widespread monsoon rain in Maharashtra and Andhra Pradesh has restricted this week's movement of new crop.

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 sales figure issued by Cargo Surveyor SGS for the period of September 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 increased to EU and China by 25.17% and 48.68% respectively on improved demand compared to the corresponding period under review while USA and India registered a drop in exports by 22.15% and 0.8% on sluggish demand.

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

(Unit: MT)

Countries/Continents	September 1-20	August 1-20	Change %
European Union	112,360	89,763	+25.17
China	348,737	234,549	+48.68
United States	59,842	76,866	-22.15
India	34,260	34,535	-0.80

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Ample stock position of palm oil domestically, sluggish demand and lackluster trading led weakness for palm oil domestically. Firmness in others edible oil and bulls run in overseas (CBOT and BMD) and domestic exchanges (NCDEX, MCX and NBOT) capped the losses to certain extent. To meet the rising festive demand edible oil import improved in August month. August crude palm oil imports rose 24% to 276,151 tonne. Last year, it totaled at 222,702 tonne. To protect the domestic vanaspati industry by preventing the illegal inflow of vanaspati from Sri Lanka, India is negotiating with Sri Lanka to operationalise check on the duty free import of vanaspati by enforcing new

system, Tariff Rate Quota (TRQ). This system will decide the inflow of quantity of duty free import of vanaspati under bilateral trade agreement between two nations. According to SGS, Malaysian palm oil exports rose 12.3% between September 1-20 to 864,299 tonne from 769,315 tonnes same period in August. The most active December contract of crude palm oil futures traded between MYR2,569-2,606/tonne (MYR2,479-2,578/tonne last week). In current week, crude palm oil CIF prices for October shipment traded between \$820-825/tonne (\$787-805/tonne last week).

Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Kandla& Mumbai	942	939	940	938	935	930

Weekly prices for CPO

(Rs/ 10 kg)

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Kandla	421	421	420	419	420	418

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Kandla +VAT	455	455	455	455	458	456
Mumbai +VAT	452	454	454	452	452	452
Chennai +VAT	465	460	460	461	462	462
Kakinada +VAT	452	451	448	448	448	450
Hyderabad +VAT	465	465	469	464	464	464
Delhi	490	492	492	490	495	495

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
CPO	775	772	767	772	782	782
RBD Palmolein	825	825	815	820	830	830

MC: Market Closed

Soybean Complex

Forecast of late monsoon showers this week is crucial for estimating overall production estimate for domestic soybean. As per 1st advance estimate released by Union Ministry of Agriculture, soybean production for 2007-08 is expected at 90.4 lakh MT against total oilseed production pegged at 161.3 lakh MT. The daily arrivals across spot markets varied from 20,000-40,000 bags. Share of fresh lots of beans [10,000-15,000] rose steadily by end of week mounting pressure on prices of beans. Incidence of blue beetle, leaf eating caterpillar and leaf roller in MP and Maharashtra is reported to be under threshold levels indicating minimal damage to production prospects. During the week, the spot prices stood at Rs 1375-1600/qlt against Rs 1470-1580/qlt last week while plant delivery rates stood at Rs 1580-1650 against Rs 1550-1640/qlt last week. The

CIF prices softened down the week from \$942/MT to \$ 935/MT. However, as against last week, CIF prices for crude soy oil for October shipment firmed up by \$ 30-50/MT to \$ 935-942/MT. The prices of soy oil prices in Indore firmed up from Rs 461/10 Kg to 464/10 Kg on good demand from vanaspati units and festive consumption. With value of rupee appreciating by 60 paise from 40.47 [Monday] to 39.87 by weekend, imports of CDSBO and CPO are likely to be higher with palm oil likely to maintain its market share at CIF of \$ 820-825/MT. In US, reports of frost like conditions over major soybean growing areas in US coupled with news that China is likely to cut its import duty on soybean imports from 3% to 1% underpinned soybean prices despite harvest pressure mounting on prices of beans.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Mumbai +VAT	472	475	475	475	475	475
Indore +VAT	461	463	462	462	464	465
Kota +VAT	464	464	463	463	463	463
Jaipur +VAT	480	480	480	480	480	480
Hyderabad +VAT	500	500	495	495	495	496
Chennai +VAT	485	485	485	485	492	492
Rajkot +VAT	460	460	460	460	460	460

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Mumbai	454	456	452	452	455	457

Rise in Crude Soy oil CIF during the week

(US \$/ MT)

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Kandla & Mumbai	942	939	940	938	935	930

MC: Market Closed

Mustard Complex

Down the week, the daily arrivals of mustard/rapeseed declined from 25,000 bags to 15,000-20,000 bags. Spot prices [Condition and Non-condition seeds] declined by Rs 60-65/qlt to Rs 2050-2210/qlt and Rs 1790-1840/qlt respectively. Edible oil prices found some support from festive demand and global cues. Prices of mustard expeller oil in Kota region firmed up in tandem with soy oil to Rs 460-462/10 Kg against Rs 460 per 10 Kg last week. Initial strength in mustard complex was not only attributed to firmness in oilseed traded across spot markets but also on account of good demand for mustard oil from vanaspati units. The Union Agriculture Ministry has targeted to produce 75.2 lakh MT of rapeseed/mustard for Rabi 2007-

08. Under assumption of good monsoon rains by month end sowing for Rabi mustard is expected to pick up by mid of October. Late monsoon showers are crucial not only for good sowing but also retaining soil moisture for extended period of germination. Toria/ Indian rapeseed sowing has already begun in parts of UP and is picking up in North Indian states as well. The crop is a short duration variety with cropping period of 70-100 days. The Centre is likely to declare MSP for Rabi crops by month end. A higher MSP for rapeseed/mustard this year may support the crop in terms of acreage and production, thereby strengthening domestic oilseed crushing and capping higher reliance on imported oils.

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

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Mumbai + VAT	486	490	488	485	486	486
Kota +VAT	460	462	462	462	462	462
Jaipur +VAT	468	472	472	472	472	470
Delhi	495	495	498	500	500	497
Neewai +VAT	460	461	461	461	461	461

Groundnut Oil

Good crop condition, tailing local inventories and steady demand had mixed reaction on groundnut complex domestically. Oil prices improved in Gujarat to remain in sync with others edible oil. Supplies of groundnut seeds stood steady. The harvesting season is nearly approaching and arrivals of new crop are likely to hit market from October onwards. According to latest trades estimation, in upcoming Kharif season, country is like to receive the nearly 100% better yield of groundnut, which is estimate at 3.3 mmt. Last year, it was 1.8 mmt. Gujarat alone is expecting at 2.5 mmt from 1.2 mmt a year ago. The last

year adverse weather condition was setback for groundnut production but timely and well-distributed rainfall in indicating towards good production this year. Kharif groundnut crop in flowering/pegging stages Andhra Pradesh, Karnataka, Maharashtra and Gujarat. while rainfed groundnut sowing is continue in Tamil Nadu. The prices of groundnut seeds for different qualities traded between Rs. 410-545 per 20kg (Rs. 410-560 per 20 kg last week) in different market in Gujarat during the week. In Rajkot market groundnut oil traded between Rs. 780-800per 10 kg (last week it was Rs. 750-770 per 10 kg).

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

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Mumbai +VAT	725	725	725	725	720	720
Rajkot +VAT	790	780	780	790	800	800
Andhra Region	700	700	685	685	685	685
Chennai +VAT	685	660	660	660	670	675
Delhi	750	760	760	760	760	760

MC: Market Closed.**Sunflower Oil**

The costlier crude oil and spiraling CIF prices helped supported physical prices of refined sunflower oil. The possibility of imposition of export quota by Ukraine government on sunflower seeds and oil had bullish impact in global markets with spill over impact in domestic

markets. However, weakness in other edible oil capped the gains to certain extent. During the week, CIF prices rose sharply \$95 till Friday. Traders are expecting prices are likely remains steady to slightly firm on tight supplies in near-term.

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

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Mumbai +VAT	570	570	570	575	575	580
Chennai +VAT	575	575	580	580	590	595
Hyderabad +VAT	560	560	570	580	580	585

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

Center	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Kandla & Mumbai	1238	1243	1243	1253	1333	1328

MC: Market Closed.

Refined Cottonseeds Oil

Current higher prices of refined cottonseeds oil and bullish prospects of Kharif production were not strong enough to lure the strong buying interest domestically and price deescalated to manage the mild buying. According to trade estimates, upcoming Kharif cotton output is expecting to 22.94 million bales (170 kg), slightly higher from 22.69 million bales last year. Further weakness may witness in

near-term on start of arrivals of new crop. 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	17.09.07	18.09.07	19.09.07	20.09.07	21.09.07	22.09.07
Mumbai +VAT	485	485	487	485	487	487
Hyderabad +VAT	490	490	492	490	495	495
Rajkot +VAT	490	492	492	490	494	490
Delhi	485	480	480	480	480	484

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

Soy Futures Settled Down on CBOT

November soybean finished down 9.5 cent at \$ 359.68 per MT. January soybeans finished down 9.75 cent at \$ 365.19 per MT. December Soymeal closed down at \$ 2.9 at \$ 331.35 per MT. December Soybean Oil finished down at 0.42 at \$ 871.26/MT. Views that the market was overbought and needs corrections dragged down the soy futures. Harvest pressure of soybean seems to be weighing on

sentiments across soy complex at CBOT. China confirmed to reduce import duties to 1% from 3% for the three months beginning October 1 st. Soybean sowing is likely to pick up in Brazil this period. Higher prices of corn and soybean seem to support its soybean acreage and production in South America.

BMD CPO Futures Settle High on Strong Buying

Escalated crude oil prices, renewed bulls run in CBOT and strong buying interest propelled crude palm oil high on Bursa Malaysian Derivatives. The most active December contract of CPO futures remained below to psychological barrier of MYR 2,620 per tonne and settled up MYR 37 at MYR 2,606 per tonne to previous closing level. Higher the

level of crude oil is always supportive for palm oil as it stronger the use of palm oil for biodiesel. Trading volume rose sharply to 12,653 lots from 6,790 lots yesterday, while open interest declined to 52,058 lots from 52,970 lots Thursday.

WEEKLY WEATHER WATCH

Yesterday's well marked low pressure over North-West Bay of Bengal off North Andhra Pradesh-South Orissa coast has concentrated into Depression and now lies at Lat. 19.0 N/ Long. 86.0 E over NW Bay of Bengal. Model prediction suggest that the system may intensify into a Deep depression during next 24 hours and move slowly in westward direction. Under its influence, widespread rainfall with isolated to scattered heavy to very heavy falls is likely over north Andhra Pradesh , Orissa and Chhattisgarh during next 2 days. Subsequently rainfall belt is likely to shift westward over Vidarbha and Madhya Pradesh. Model predictions suggest that westerly trough is likely to move across hilly regions of NW India during 23-25 September. Under the combined influence of aforesaid, hilly regions of NW India, eastern states and central India are likely to

receive enhanced rain in coming 3-4 days. Scattered to fairly widespread rainfall activity is also likely over Maharashtra,Marathwara, Goa, South Gujarat during next 3 days.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Scattered to fairly widespread rainfall is likely over J&K, H.P. and Uttarakhand during 23-25 Sept. Isolated to scattered thundershowers are likely over rest of the region during same period.

EAST AND NE INDIA: Fairly widespread rainfall with isolated heavy fall is expected over Orissa, Scattered rainfall is expected over West Bengal and Jharkhand during next 2-3 days. Isolated rainfall is likely over rest of the region.

CENTRAL INDIA: Fairly widespread rainfall with isolated heavy fall is likely over Chhattisgarh. Scattered rainfall is likely over Vidarbha and East M.P and likely to increase after 48 hrs. Rainfall activity is likely to increase over West M.P after 48 hrs.

SOUTH INDIA: Fairly widespread rainfall is likely over Coastal A.P., Telangana, Coastal Karnataka, Kerala, and

Andman & Nicobar Islands during next 3 days. Scattered rainfall activity is also likely over rest the region .

WEST INDIA: Fairly widespread rainfall is likely over Konkan & Goa, Madhya Maharashtra, Marathawara, Gujarat and Saurashtra. Rainfall activity is likely to increase over East Rajasthan. **Source:NCMRWF**

PORT WATCH

Port updates of edible oils in India (September 17-21, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CDSBO	36,990	7,000	43,990
CPO	7,000	10,800	17,800
Palm oil	20,248	8,350	28,598
Palm oil Product	28,000	-	28,000
RBD	4,000	-	4,000
Total	96,238	26,150	122,388

Source: ANAS

Forex Rates:

Country/ Continent	Currency	Value in Rupees	
		22.09.07	17.09.07
USA	Dollar	39.87	40.47
European Union	Euro	56.17	56.17
Japan	100 Yen	34.52	35.09
United Kingdom	Pound Sterling	80.57	81.07

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