

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 666,100 MT were 11 percent below the previous week. Major increases were reported for China (290,500 MT, including 55,000 MT switched from unknown destinations), unknown destinations (79,400 MT), Mexico (76,100 MT), Indonesia (56,000 MT), South Korea (55,000 MT), and Syria (37,600 MT, including 10,000 MT switched

from unknown destinations). Exports of 279,500 MT were 42 percent below the previous week and 21 percent under the prior 4-week average. The primary destinations were China (118,300 MT), Japan (55,500 MT), Mexico (42,800 MT), Taiwan (29,300 MT), and Syria (10,600 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 52,500 MT resulted as increases for Japan (26,900 MT), the Philippines (24,600 MT), and Morocco (15,700 MT, including 15,000 MT switched from unknown destinations), were partially offset by decreases for unknown destinations (22,600 MT) and Guatemala (8,400 MT). Net sales of 135,900 MT for delivery in 2007/08 (which began Oct. 1) were primarily for Canada (34,800 MT), the Dominican Republic (31,500 MT), unknown

destinations (24,000 MT), Mexico (18,000 MT), and Indonesia (10,500 MT). Exports of 168,600 MT were 30 percent above the previous week and 51 percent over the prior 4-week average. The major destinations were the Philippines (32,200 MT), Canada (29,000 MT), Japan (26,400 MT), Mexico (19,300 MT), and Venezuela (14,200 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 28,900 MT resulted as increases for China (31,000 MT, including 7,000 MT switched from unknown destinations), Mexico (2,700 MT), and Canada (1,500 MT), were partially offset by decreases for unknown destinations

(7,000 MT). Exports of 38,400 MT were mainly to China (31,000 MT), Mexico (4,300 MT), and El Salvador (1,800 MT). Note: Accumulated exports for South Korea were adjusted down 24,000 MT. Source: USDA

Sunflower Sowing in Lagging in Argentina

Due to persistent unfavorable weather conditions sunflower seeds sowing is lagging in Argentina and only 34% plantation is completed on September 27th as compared to

73% same period last year. Overseas markets are firming up with this with spill over impact in domestic markets.

Russia Lift Ban of Groundnut

With the quality assurance by APEDA, Russia lifted the ban on groundnut for four months till January 15, 2008. The exports will be permissible after quality and safety certification

by Delhi based Sri Ram Institute of Industrial Research or any other agency notified time to time. This already effected from September 17th.

STC Invites Bids for 12,000 Tonnes Palm oil Products

State Transporting Corporation (STC) has floated bids to import 12,000 tonne of palm oil product (9,000 tonnes of crude palm oil and 3,000 tonnes of RBD olein). The

deliveries will by November 20. Last week MMTC invited bid for 3,000 tonnes each for CPO and RBD Olein.

India Becoming Second Largest Cotton Producer in 2007-08

According to the Cotton Industries, China's crop was estimated to remain same as of 2006-07 at 42.1 million bales, while production in the US would be remain down to 22.4 million bales in 2007-08 as compared to 27.9 million bales of last year. They also reported that India's cotton production is expected to hit 31.5 million bales in 2007-08

seasons (Oct-Sept). Export is expected to increase due to a sharp decline in the US production. India's cotton export was estimated at 5.5 million bales in 2006-07 and it is expected that it would be more than 6.5 million bales in 2007-08, since the reduced US cotton crop may bring more international buyers to India.

India: New Cotton Crop Arrivals Picking Up

The harvesting of Kharif cotton crop during the marketing year 2007-08 has been picking up due to withdrawal of the 2007 monsoon, with daily arrivals by the end of this week October-4 reaching 55,000-60,000 bales. Out of which, Northern Zone has contributed 28,000-30,000 bales/day. In

Gujarat, daily arrivals reached more than 16,000 bales for the first time; while in Madhya Pradesh, arrivals are reaching more than 6,000. The moisture levels in the new crop remain high at 15-16% in Gujarat and Madhya Pradesh, which is lowering quality.

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 September 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 India increased by 55.61% and 79.79% respectively on improved demand compared to the corresponding period under review while China and USA registered a drop in exports by 0.32% and 10.45% on sluggish demand.

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

(Unit: MT)

Countries/Continents	September	August	Change %
European Union	276,954	177,983	+55.61
China	473,125	474,635	-0.32
United States	88,687	99,031	-10.45
India	124,730	69,375	+79.79

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Mostly weak BMD, sluggish demand and lackluster trades pushed down the prices of palm oil across domestic markets. The mounting selling pressure in others edible oil due to fresh crushing of Kharif oilseeds (mainly soybeans and cottonseeds) from mid October onwards, also contributed the weakness. In the view of proper supplies of edible oil in festive days and to curb the rise in prices, State Transporting Corporation (STC) has floated bids to import 12,000 tonne of palm oil product (9,000 tonnes of crude palm oil and 3,000 tonnes of RBD olein). The deliveries will by November 20. Last week MMTC invited bid to import 3,000 tonnes each for CPO and RBD Olein. Recently hike in base prices of palm oil product for exports by Indonesia,

has hurts the exporters amidst low profitability results palm oil product selling dropped 21% (=US\$148.8 million) in August along to US\$684.2 million as compared to last year. The exports duty on CPO raised to US\$622 per tonne from US\$558 per tonne (July). According to SGS (a cargo surveyor) estimation, September Malaysian palm oil exports rose 11.9% at 1.42 mmt against 1.26 mmt last month. The most active December contract of crude palm oil futures traded between MYR 2,545-2,618/tonne (MYR 2,605-2,675/tonne last week). In current week, crude palm oil CIF prices for October shipment traded between \$830-840/tonne (\$835-850/tonne last week).

Weekly Crude Palm Oil CIF prices of CPO

(US\$ / MT)

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Kandla& Mumbai	835	MC	830	835	835	830

Weekly prices for CPO

(Rs/ 10 kg)

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Kandla	415	MC	413	414	416	415

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Kandla +VAT	454	MC	452	451	454	454
Mumbai +VAT	456	MC	450	453	454	456
Chennai +VAT	472	MC	465	465	467	465
Kakinada +VAT	457	MC	450	450	452	457
Hyderabad +VAT	480	MC	475	475	475	478
Delhi	500	MC	500	495	497	497

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
CPO	797	797	MC	787	790	797
RBD Palmolein	847	847	MC	832	832	847

MC: Market Closed

Soybean Complex

Soybean prices trade weak initially amidst increasing arrivals pressure of fresh soybean across the markets against poor offtake due to higher prices. Spot prices declined from the previous week's level of Rs 1470-1580/qtl to Rs 1470-1500/qtl. Plant delivery prices stood at Rs 1560-1570/qtl against Rs 1580-1650/qtl last week. Higher

production estimates of soybean further aided bearishness in the market. As per SOPA, soybean output during the current season is likely to shoot up by 24% to 88.65lt as against last year's 71.49lt on the back of increased acreage of around 13% to 87.114lt coupled with favourable weather condition during the flowering stage, which added to the

yield of soybean crop by 10% to 1018 Kg/ha compared with 927 Kg/ha in the last year. The 1st advance estimate of soybean by Union Ministry of Agriculture came at 90.4lt. Arrivals during the period increased significantly from the last weeks level of 20,000-40,000 bags to around 6,00,000-7,00,000 bags in MP and Maharashtra against poor offtake due to higher moisture content in fresh arrival as it impeded the crushing. Some recovery is also supported by the firm tone in CBOT. Which itself moved up on expectation of delay sowing in Brazil's Northern areas due to continuing dry weather and prediction of dry weather for next week in

Brazil coupled with the expectation that USDA may revise lower production estimates in next week's crop production. Meanwhile, Agriculture Ministry in Brazil expecting 2007-08 soybean crops at 59.4 to 61.3 million tonnes compared with the record production of 58.4 million tonnes last year. Acreage is expected to go up by 4.3 per cent compared to the last years. The CIF price for crude soy oil for October shipment traded sideways between \$930-937/MT from \$917-939/MT last week. The prices of soy oil prices in Indore declined from Rs 464/10 Kg to 458/10 Kg on sluggish demand.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Mumbai +VAT	476	MC	470	468	465	465
Indore +VAT	464	MC	460	455	458	458
Kota +VAT	NA	MC	474	473	473	473
Jaipur +VAT	483	MC	483	483	485	485
Hyderabad +VAT	500	MC	495	495	495	495
Chennai +VAT	500	MC	495	495	495	495
Rajkot +VAT	465	MC	465	463	463	463

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Mumbai	452	MC	449	450	448	446

Rise in Crude Soy oil CIF during the week

(US \$/ MT)

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Kandla & Mumbai	930	MC	922	925	937	932

MC: Market Closed

Mustard Complex

Mustard spot prices traded weak amidst poor offtake against improved arrivals after the mid-week. Sources, reported that the traders are hesitant to buy due to falling oil prices which imparted bearish tone. During the period arrivals across the market improved from 15,000-20,000 bags to 17,000-22,000 bags which further pressurized the prices. Spot prices [Condition and Non-condition seeds] declined by Rs 25-30 and Rs 30-40 at Rs 2050-2150/qrtl and Rs 1790-1800/qrtl respectively. Prices of mustard expeller oil in Kota region declined from the last week's level of Rs 462-468/10 Kg to Rs 461-466/10 Kg. Edible oil prices declined on weak domestic demand as retailer expecting prices to come down further before fresh buying. Further, considering the upcoming festivals (Dusehera and

Dipawali) the prices are expected to improve in short to medium term as the demand from expellers and retailers likely to emerge. On other hand, prices would get support from demand for mustard seed by farmers for sowing. Also, if the Centre declares higher MSP for Rabi crops. Meanwhile, the sowing of the crop is likely to start in Rajasthan, UP, Haryana and Punjab. However, in non-irrigated areas particularly in Rajasthan it requires one more spell of rains before sowing whereas, IMD predicted for the withdrawal of SW monsoon from NW India, which may hinder the sowing of mustard. The Union Agriculture Ministry has targeted to produce 75.2 lakh MT of rapeseed/ mustard for Rabi 2007-08.

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

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Mumbai + VAT	485	MC	480	476	479	479
Kota +VAT	466	MC	463	461	462	462
Jaipur +VAT	475	MC	474	472	470	470
Delhi	492	MC	490	490	490	490
Neewai +VAT	464	MC	463	460	460	461

Groundnut Oil

Improving sentiments for new crop, sluggish demand and lackluster trade activities pressured groundnut complex in major trading centers. The timely and well distributed rainfall remained supportive for groundnut in Andhra Pradesh and production is expecting nearly 16.61 lakh tonnes, which is nearly 5 times from last year's 3.33 lakh tonnes against annual average of 12 lakh tonne. While, production in Gujarat is expecting to improve by 20 percent to 25 lakh tonnes to last year. Last year groundnut production hampered due to drought conditions in these regions. Traders are expecting groundnut seeds prices not to trade below Rs. 2,200-2,250/qlt in peak arrivals season,

which is likely to start by second-third week of October (currently groundnut seeds prices are trading near Rs. 2,550/qlt). Kharif groundnuts crop in pegging/pod filling stage in Andhra Pradesh, Karnataka and Maharashtra, whereas pod filling/early maturity stage in Gujarat. Rainfed groundnut sowing is continues in Tamil Nadu. The prices of groundnut seeds for different qualities traded between Rs. 410-540/20kg (Rs. 410-552/20 kg last week) in different market in Gujarat during the week. In Rajkot market groundnut oil traded between Rs. 750-780/10 kg (last week it was Rs. 780-810/10 kg).

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

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Mumbai +VAT	710	MC	715	710	710	710
Rajkot +VAT	780	MC	750	750	755	720
Andhra Region	680	MC	680	680	680	680
Chennai +VAT	660	MC	650	650	650	630
Delhi	770	MC	770	770	770	770

MC: Market Closed.**Sunflower Oil**

Following weakness in others edible oil and lack of sustainability at higher price cast weakness for refined sunflower oil domestically. Currently, sunflower arrivals are coming in the markets, which also tends to push the market down. Due to persistent unfavorable weather conditions sunflower seeds sowing is lagging in Argentina and only

34% plantation is completed on September 27th as compared to 73% same period last year. Overseas markets are firming up with this with spill over impact in domestic markets. 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	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Mumbai +VAT	570	MC	570	565	565	565
Chennai +VAT	605	MC	605	605	605	590
Hyderabad +VAT	590	MC	590	590	590	580

MC: Market Closed.

Prices for CIF Sunflower during the week**(US \$/ MT)**

Center	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Kandla & Mumbai	1425	MC	1413	1412	1423	1420

MC: Market Closed.**Refined Cottonseeds Oil**

Weakness in spot prices of refined cottonseeds oil maintained in major trading centres on poor demand and fresh arrivals of cotton crop. As per reports, Country is now emerged the 2nd largest producers after China and overtake US for year 2006/07. Indian cotton production is likely to shoot up to near 300-315 lakh bales (1 bale=170 kg), which is expecting to pressure the market in near-term. This year the organic cotton demand is good from importing

nations. Currently exports demand is rising nearly 70-80% annually but the organic cotton is catering only 35% to total exports demand. There was some news of cotton damage in Saurashtra region on recent rains. In current year, Gujarat cotton plantation seen up at 9.9 million hectares, which is higher from 9.2 million hectares last year. Reports of loss of cotton crops on heavy rains in Saurashtra may underpin prices in near term.

Prices for Refined Cotton Oil during this week

Markets	01.10.07	02.10.07	03.10.07	04.10.07	05.10.07	06.10.07
Mumbai +VAT	495	MC	492	488	488	488
Hyderabad +VAT	500	MC	490	490	492	495
Rajkot +VAT	NA	MC	476	480	484	488
Delhi	475	MC	465	465	472	472

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS**CBOT Soy Futures Settle Lower on Advancing Harvest**

Soy futures settle lower on Chicago Board of Trades. November soybeans closed 13.75 cents down at \$345.36 per MT. January soybeans settled down 12.25 cents at \$352.70 per MT. December soy meal closed \$5.4 down at \$292.5 per MT. December soybean oil ended 0.15 down at \$860.22 per MT. Expectation of less tightness in supply-demand and Monday's weather forecast include favourable reports of rains over Brazil's growing areas "Matto Grosso" imparted bearishness. Early weakness in wheat and corn, advancing harvest with hint of rain for S. America's growing areas witnessed selling pressure. Further, weakness in palm oil and energy besides hefty deliveries of bean and

meal and higher soybean crop estimates aids some bearishness. Informa pegged soybean crop at 2.647 billion bushels, up 28 million bushels from the last months USDA estimate and marginally above the trade estimates. Yield was expected at 42.1 bushels/acre compared to 41.4 bushels/acre from the USDA last month report. However, there are some positive factors which may lent support such as wet condition in Iowa and Minnesota and expectations that the rain may spread in corn belt, which may hinder harvest coupled with expectation that USDA may lower its crop forecast for next week.

BMD CPO Futures End Lower on Profit Taking

Crude palm oil futures ended down sharply in late session on Bursa Malaysian Derivatives amidst spurt selling pressure and strong profit taking, However, fundamentals remains strong. The most active December futures contract of crude palm oil settled down MYR29 to MYR 2,570 per tonne. Weakness in crude oil also weighs on CPO futures. Traders are anticipating ample palm oil stocks is available

in middle East countries. Crude trading volume just double to 12,746 lots from 6,008 lots yesterday and open interest also improved to 46,542 lots from 45,752 lots on Thursday. In cash market, sellers offered at slightly lower prices but no significant deal is reported on expectation of further fall in prices in near-term.

WEEKLY WEATHER WATCH

Yesterday's upper air cyclonic circulation over west-central Bay of Bengal off Coastal Andhra Pradesh has intensified as low pressure area over the same area. It is likely to intensify further. Under its influence, fairly widespread rainfall with isolated heavy falls is likely over coastal Andhra Pradesh and coastal Orissa during next 48 Hrs. Rainfall is also likely over West Bengal & Sikkim, Jharkhand, Chhattisgarh, NE states and south Peninsula during next 3 days. A westerly trough is passing across hilly region of NW India. Under its influence isolated rainfall are likely over hilly region of northwest India during next 48 hrs.

Zone-Wise Weather Forecast

NORTH & NORTH-WEST INDIA: Isolated rainfall is likely over J&K, H.P. and Uttarakhand during next 2-3 days rest of the regions are likely to be mainly dry.

EAST AND NE INDIA: Scattered rainfall is likely over Orissa, Gangetic West Bengal, Jharkhand and NE states during next 48 Hrs. and enhance subsequently.

CENTRAL INDIA: Isolated to scattered rainfall activity is expected over Chhattisgarh during next 2-3 days. Isolated rainfall activity is likely over rest of the region.

SOUTH INDIA: Fairly widespread rainfall is likely over A.P., Coastal Karnataka, Kerala, and Andaman & Nicobar Islands during next 3-4 days. Scattered rainfall activity is also likely over rest of the region.

WEST INDIA: Isolated rainfall is likely over Konkan & Goa and parts of Maharashtra. Mainly dry weather over rest of the region. **Source: NCMRWF**

PORT WATCH

Port updates of edible oils in India (October 01-06, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	46,500	25,550	72,050
Palm oil	28,688	13,550	42,238
Soy oil	21,704	17,999	39,703
Palm oil Product	63,635	0	63,635
Total	160,527	57,099	217,626

Source: ANAS

Forex Rates:

Country/ Continent	Currency	Value in Rupees	
		06.09.07	01.09.07
USA	Dollar	39.49	39.73
European Union	Euro	55.82	56.63
Japan	100 Yen	33.78	34.51
United Kingdom	Pound Sterling	80.69	81.37

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