

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean

Net sales of 550,100 MT were 17 percent below the previous week. Increases reported for China (218,200 MT), Mexico (88,200 MT), Turkey (66,000 MT, including 60,000 MT switched from unknown destinations), Indonesia (58,300 MT, including 60,000 MT switched from China and decreases of 1,700 MT), Taiwan (45,700 MT), France (45,000 MT), and Spain (45,000 MT), were partially offset

by decreases for unknown destinations (101,000 MT). Exports of 531,600 MT were 90 percent above the previous week and 63 percent over the prior 4-week average. The primary destinations were China (172,500 MT), Mexico (112,000 MT), Turkey (66,000 MT), and Egypt (55,700 MT). Exports for own account were reported for Canada (23,800 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales for the 2007/08 marketing year (which began Oct. 1) were 266,000 MT. Increases reported for Cuba (50,000 MT), Saudi Arabia (34,000 MT), Canada (31,000 MT), Japan (27,200 MT), and the Philippines (26,800 MT, including 24,000 switched from unknown destinations), were partially offset by decreases for unknown destinations (22,000 MT). A total of 358,400 MT were outstanding on September 30 (the end of the 2006/07 marketing year) and were carried over to the 2007/08 marketing year. Exports

of 29,400 MT for Sept. 28-30 were mainly to Panama (11,700 MT), Mexico (4,700 MT), and Canada (4,100 MT). Accumulated exports for the year totaled 6,678,700 MT, up 5 percent from the 6,375,900 MT exported during the previous year. Exports of 78,500 MT for October 1-4 were primarily to the Philippines (24,700 MT), Mexico (14,300 MT), El Salvador (7,700 MT), and Colombia (6,700 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales for the 2007/08 marketing year (which began Oct. 1) were 8,200 MT. The major buyers were Mexico (4,900 MT), Canada (2,400 MT), and El Salvador (700 MT). A total of 50,000 MT were outstanding on Sept. 30 (the end of the 2006/07 marketing year) and were carried over to the 2007/08 marketing year. Exports of 3,000 MT for Sept. 28-

30 were mainly to Guatemala (1,500 MT) and Mexico (1,200 MT). Accumulated exports of 634,100 MT were up 82 percent from the 349,300 MT exported during the previous year. Exports of 2,000 MT for October 1-4 were primarily to Mexico (1,600 MT) and Canada (300 MT). Source: USDA

Malaysian Palm oil Exports Surge 11.7% in September: MPOB

Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for September. Palm oil exports rose 11.7% to 1.39 mmt from 1.24 mmt a month ago. Crude

palm oil production increased 2.7% to 1.60 mmt against 1.56 mmt last month ago while stock improved slightly 0.8% at 1.46 mmt vs 1.45 mmt a month ago.

Malaysian Palm Oil Exports Rise 44.8% During October 1-10: SGS

SGS (a cargo surveyor) estimated Malaysian palm oil exports for the period of October 1-10 highlighted exports rose sharply 44.8% to 484,670 tonnes from 334,800 tonne

same period in September. While nil exports reported to India from 8,750 tonne during September 1-10.

WASDE Report of Oilseeds

U.S. oilseed ending stocks for 2007/08 are nearly unchanged from last month as increased supplies are offset by higher exports and crush. Oilseed supplies are forecast higher this month mainly due to production increases for sunflowerseed, peanuts, and cottonseed. Soybean production is forecast down 21 million bushels to 2.598 billion due to this month's acreage reductions. Planted and harvested area are both lowered 0.4 million acres. Total soybean supply is forecast almost unchanged as reduced crop production is nearly offset by increased beginning stocks. Soybean ending stocks are projected at 215 million bushels, unchanged from last month. Soybean oil ending stocks are raised for both 2006/07 and 2007/08 reflecting weaker-than-expected domestic disappearance for food use in 2006/07. The U.S. season-average soybean price range for 2007/08 is projected at \$7.85 to \$8.85, up 50 cents on both ends of the range as prices during harvest have been unseasonably strong. Product prices are also raised this month. The soybean meal price is projected at \$220 to \$250 per short ton, up \$15 on both ends of the range. The soybean oil price range is projected at 34.5 to 38.5 cents per pound, up 1.5 cents on both ends of the

range. Global oilseed production for 2007/08 is projected at 392 million tons, up 1.1 million tons from last month. Foreign oilseed production accounts for most of the change. Soybean production for Brazil is raised 1 million tons to 62 million based on increased harvested area as producers respond to higher soybean prices. Soybean cash prices reported in Brazil are 40 percent above year-earlier levels after adjusting for stronger currency values. China soybean production is reduced 0.6 million tons to 14.6 million due to dry conditions in the principal growing region. This would be the smallest soybean crop in 8 years. Soybean production is also raised for India. Australia rapeseed production is reduced sharply this month due to the impact of drought, which was especially severe during the critical month of September. Rapeseed production was also reduced for Canada. Global cottonseed production is raised mainly due to higher output in China. Global oilseed stocks for 2007/08 are raised slightly this month as increased soybean stocks for Brazil, resulting from increased production, are mostly offset by lower stocks in Argentina. Source: USDA

China Unchanged Cotton Import Quota at 894,000 Mt in 2008

China Tuesday said its 2008 import quotas for cotton will remain unchanged for the fifth consecutive year. The 2008 import quotas for cotton were set at 894,000 metric tons (Mt) respectively, according to a statement published on the

National Development and Reform Commission's Web site.

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 China, EU and USA by 83.29%, 118.59% and 53.75% respectively on improved demand compared to the corresponding period under review while India registered nil exports.

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

(Unit: MT)

Countries/Continents	October 1-10	September 1-10	Change %
European Union	222,994	121,662	+83.29
China	112,793	51,600	1+18.59
United States	60,520	39,362	+53.75
India	-	8,750	-100

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Physical prices of palm oil escalated during the week on surge in rival edible oil, improved demand of string of festivals (Id-ul-Fitr, followed by Navratra and Dussherra). Market also gained support from mostly firm BMD, which itself fuelled on strong exports figures by SGS and expectation of strong export demand. To curb the upswing in edible oil prices rise in festive days, MMTC has finalized to import 5,500 tonnes of crude palm oil contract at \$800-810 per tonne, on a cost and freight basis. The deliveries will be by October end or 1st week of November. SGS estimated palm oil exports rose sharply by 44.8% to 484,670 tonnes from 334,800 tonne same period in

September. Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for September. Palm oil exports rose 11.7% to 1.39 mmt from 1.24 mmt a month ago. Crude palm oil production increased 2.7% to 1.60 mmt against 1.56 mmt last month ago while stock improved slightly 0.8% at 1.46 mmt vs 1.45 mmt a month ago. The most active December contract of crude palm oil futures traded between MYR2,542-2,731/tonne (MYR2,545-2,618/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	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Kandla& Mumbai	830	820	845	865	880	NA

Weekly prices for CPO

(Rs/ 10 kg)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Kandla	412	410	415	418	418	419

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Kandla +VAT	450	450	450	454	454	452
Mumbai +VAT	456	455	456	458	458	458
Chennai +VAT	467	467	468	470	475	480
Kakinada +VAT	457	458	462	470	470	470
Hyderabad +VAT	480	480	485	490	490	490
Delhi	495	490	490	490	500	500

MC: Market Closed

Weekly prices for FOB (Kandla)

(US \$ / MT)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
CPO	785	785	807	817	Closed	Closed
RBD Palmolein	830	827	840	865	860	867

MC: Market Closed

Soybean Complex

After initially trading weak, the prices of soybean traded mostly firm across the market on good physical demand against lower arrivals. Spot prices improved from the previous week's level of Rs 1470-1500/qrtl to Rs 1480-1540/qrtl. Plant delivery prices stood at Rs 1560-1600/qrtl against Rs 1560-1570/qrtl last week. Lower arrivals of 4,50,000-5,00,00 bags during mid due to new moon (Amavasya) aided bullishness. Last week overall arrivals marked at 6,00,000-7,00,000 bags. Improved sentiment of soymeal at ports following firmness in international market (CBOT) and expectation of higher soymeal exports in oilmeal marketing year 2007-08 added to the bullish tone. Consequently, expeller / crushers remained active during the period. As per the Soybean Processors Association of India, soymeal exports for 2007-08 oilmeal marketing year is likely to shoot up by 4-4.5 MMT on the back of a bumper kharif soybean crop this year. Prospects for soymeal export are bright during Oct-Dec due to worldwide shortage of oilmeal since crop in US and China is estimated to be lower

this year. Further, news report that South Korea would import 45,000 tonnes of Indian soymeal for Jan-Feb 15th delivery also lent support to the prices. on the back of commitments of higher soymeal exports. However, in short-term increasing arrival pressure as farmers need money for rabi cultivation and ahead of festivals (Dushera and Diwali) coupled with higher moisture content (15-18 per cent) in fresh beans may pressurize the prices. Internationally, 2007-08 Brazilian soybeans sowing are lagging behind due to prevailing dry weather there. So far only 0.5% sowing is completed as compared to 3% last year. On other hand, acreage in Argentina is expected to increase by 5 per cent in 2007-08 due to favourable price incentives to farmers. The CIF prices of crude soy oil for October shipment increased in the week to \$942-951/MT from \$922-937/MT, last week. The prices of soy oil prices in Indore traded range bound to slightly firm to Rs.457-461/10 kg from Rs. 455-460/10 Kg, last week on good demand for festive consumption.

Prices for Soy (Ref) during the week

(Rs/ 10 kg)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Mumbai +VAT	465	465	468	468	470	472
Indore +VAT	460	457	459	460	461	462
Kota +VAT	473	473	474	474	474	475
Jaipur +VAT	485	485	486	486	487	487
Hyderabad +VAT	492	492	500	500	500	500
Chennai +VAT	495	492	492	492	492	492
Rajkot +VAT	465	465	468	468	470	470

Prices for Soy Degum (Mumbai) during the week

(Rs/ 10 kg)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Mumbai	446	445	449	452	455	454

Rise in Crude Soy oil CIF during the week

(US \$/ MT)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Kandla & Mumbai	932	926	937	947	951	941

MC: Market Closed

Mustard Complex

Mustard spot prices traded firm on improved physical demand and hike in MSP. The Centre on Oct. 9th announced the Rabi Rapeseed / Mustard seed MSP (Minimum Support Price) at Rs 1800/qrtl against Rs 1715/qrtl last year, which boosted the sentiment. Good demand from expellers further aided to the bullishness ahead of festivals (Dussherra and Diwali) besides the sowing demand. Spot prices [Condition and Non-condition seeds] improved from the previous week's level of Rs 2050-2150/qrtl to Rs 2170-2245/qrtl and Rs 1790-1800/qrtl to Rs 1850-1920/qrtl respectively. Prices of mustard expeller oil in Kota region

traded range bound from Rs 461/10 Kg to 466/10 Kg during the period. Overall arrivals declined from the previous week's level of 17,000-22,000 bags to 15,000-20,000 bags. Improved sentiment in other oilseed and oils further added to the bullish tone. Further, expectation of delayed sowing in Rajasthan also lent support to the prices. Though, the State Agriculture Minister of Rajasthan hoping that the acreage of Mustard seed in Rajasthan is expected to shot up by 3.2 million ha against targeted 3 million ha earlier despite scanty rains in many mustard growing areas due to ample soil moisture. He also stated that 2-3 spell of winter

rains would yield bumper harvest. Last year Mustard was sown in an area of 2.7-2.9 million ha on which output of around 2.75-3.25 million ha was estimated. The Union

Agriculture Ministry has targeted to produce 75.2 lakh tonnes of rapeseed/ mustard for Rabi 2007-08.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Mumbai + VAT	478	480	481	487	489	489
Kota +VAT	462	462	462	464	466	473
Jaipur +VAT	472	472	470	474	475	482
Delhi	490	490	490	490	500	500
Neewai +VAT	461	461	461	463	462	470

Groundnut Oil

Improve arrivals of new groundnut, sluggish demand pushed down groundnut oil prices in most of trading centres. Prices of shelled groundnut are expecting to stay buoyant while oil prices are likely to step down further as currently nearly 100 mills are operating in Gujarat region and traders are expecting 100 more mills would begin to work by Dussherra. Despite 15% groundnut area shrunk in Saurashtra region, country groundnut production is expecting nearly 45 lakh tonnes against average production figures of around 75 lakh tonnes. Kharif groundnuts crop in

pod filling stage in Andhra Pradesh whereas in pod filling/ maturity stage in Karnataka and Maharashtra. Groundnut crop is in maturity/harvesting stage in Gujarat. The prices of groundnut seeds for different qualities traded between Rs. 410-500/20kg (Rs. 410-540/20 kg last week) in different markets in Gujarat during the week with arrivals ranging from 60,000-100,000 bags. In Rajkot market groundnut oil traded between Rs. 725-680/10 kg (last week it was Rs. 750-780/10 kg).

Prices for groundnut oil during the week

(Rs/10 kg)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Mumbai +VAT	710	700	700	700	700	700
Rajkot +VAT	725	700	690	690	680	660
Andhra Region	680	680	680	680	680	680
Chennai +VAT	625	600	585	585	585	585
Delhi	770	770	770	770	NA	700

MC: Market Closed.

Sunflower Oil

Following firmness in others edible oil, tight supplies and good demand fueled refined sunflower oil domestically. Due to persistent unfavorable weather conditions sunflower seeds sowing is lagging in Argentina and only 34% plantation is completed on last weekend of September as compared to 73% same period last year. As per recent report Ukrainian sunflower seeds oil exports are likely to fall sharply nearly 35% in Oct/Sept 2007/08. Overseas markets are firming up which remain supportive to sunflower oil in the domestic markets. Traders are expecting prices are likely to remain steady to slightly firm on tight supplies in near-term.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Mumbai +VAT	565	570	575	575	585	590
Chennai +VAT	595	602	605	605	605	605
Hyderabad +VAT	580	585	585	590	590	590

MC: Market Closed.

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Kandla & Mumbai	1420	1405	1430	1440	1440	1440

MC: Market Closed.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil moved up in major trading centres on improve festive demand and lower than expected arrivals of cotton crop. As per reports, Country is now emerged the 2nd largest producers after China and overtake US for year 2006/07. In 2007/08, total cotton exports may reach to 4.3 million tonnes, which is almost 5%

to last year figures. 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	08.10.07	09.10.07	10.10.07	11.10.07	12.10.07	13.10.07
Mumbai +VAT	485	485	485	485	487	490
Hyderabad +VAT	495	495	495	500	500	500
Rajkot +VAT	492	490	482	488	492	490
Delhi	470	468	468	468	470	470

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

CBOT Soy Futures Settle Mixed

November soybeans closed 4.75 cents down to \$358.86 per MT. January soybeans settled down 5.75 cents to \$365.65 per MT. December soy meal closed \$0.8 up to \$307.43 per MT. December soybean oil ended 0.44 down at \$871.24 per MT. Lower than expected USDA report, failed to support the bullish-trends on CBOT. In USDA report, US soybeans production is expecting at 2,598 billion bushels against average trades estimation at 2.648 billion bushels and 2.619 billion bushels in September. Harvested

acres were revised lower by 500,000 acres. Ending stocks totaled at 215 million bushels against trade expectation of 229 million bushels and 215 billion bushels in September projection. Inspection over weekly USDA report, highlighted soybeans sales stood at 550,100 tonnes from trades expectation between 600,000-900,000 tonnes. Meals sales totaled at 266,700 tonnes from trades expectation between 50,000-150,000 tonnes and soy oil stood at 8,200 tonnes from trades expectation between 5,000-15,000 tonnes.

BMD CPO Futures Boost on CBOT

Expectation of strong exports demand and bullish-trends on CBOT fuelled crude palm oil futures on Bursa Malaysian Derivative. Resulting, bench mark contract closed to its higher level. As well market also generated support from surge in crude oil and expectation of bullish USDA world

supply and demand report. The most active December contract of CPO finished MYR51 up to MYR2,731 per tonne to previous close. Trading volume stood at 14,785 lots high from 10,827 lots yesterday. Open interest totaled at 49,328 lots from 47,813 lots.

WEEKLY WEATHER WATCH

Model predictions suggest that a cyclonic circulation is likely to develop over northwest Bay of Bengal around 15th October. Under its influence scattered to fairly widespread rainfall is likely over Gangetic West Bengal & coastal Orissa from 15th onwards for next 2-3 days and subsequently the rainfall activity may extend into interior Orissa, Jharkhand, Sub-Himalayan West Bengal & Sikkim & North Eastern states. Scattered rainfall activity is likely over extreme south peninsula during next 3-4 days. Model

prediction suggests that minimum temperatures are likely to remain below normal by 2-3 °C over many parts of northwest, central and east India during next 4 days.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: Likely to be mainly dry.

EAST AND NE INDIA: Isolated rainfall is expected over West Bengal, Sikkim. Mainly dry weather is expected over East U.P., Bihar, Jharkhand and Orissa during next 3 days

thereafter enhanced rainfall is likely over West Bengal, Orissa and Jharkhand.

CENTRAL INDIA: Mainly dry weather is likely.

SOUTH INDIA: Scattered rainfall is likely over North coastal A.P., Tamilnadu, Karnataka and Andaman & Nicobar.

Isolated to scattered rain over Kerala next 24 Hrs. and increase thereafter.

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

PORT WATCH

Port updates of edible oils in India (October 08-13, 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
Soy oil	6,000	39,703	45,703
CPO	39,500	27,540	67,040
Palm oil	8,000	34,238	42,238
Palm oil Product	23,000	29,647	52,647
Sun oil	500	0	500
Total	77,000	131,128	208,128

Source: ANAS

Forex Rates:

Country/ Continent	Currency	Value in Rupees	
		13.09.07	08.09.07
USA	Dollar	39.37	39.43
European Union	Euro	55.82	55.66
Japan	100 Yen	33.48	33.66
United Kingdom	Pound Sterling	80.09	80.44

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