

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 1,117,800 MT were 38 percent below the previous week's marketing-year high, but unchanged from the prior 4-week average. Increases reported for China (561,200 MT), Japan (132,800 MT), Mexico (104,100 MT), unknown destinations (84,500 MT), and Germany (55,000 MT, switched from unknown destinations), were partially offset by decreases for Belgium (22,600 MT) and Syria

(3,900 MT). Exports of 975,200 MT were 48 percent above the previous week and 30 percent over the prior 4-week average. The primary destination was China (487,500 MT), with smaller quantities to Japan (96,300 MT), Mexico (83,200 MT), Germany (55,000 MT), South Korea (46,600 MT), Belgium (37,400 MT), and Spain (36,800 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 145,200 MT were 9 percent above the previous week, but 17 percent below the prior 4-week average. Increases reported for Guatemala (23,800 MT), Canada (19,200 MT), Saudi Arabia (18,000 MT), the Dominican Republic (17,300 MT), Egypt (16,100 MT, including 8,000 MT switched from unknown destinations), and Turkey (16,000 MT), were partially offset by decreases

for unknown destinations (8,000 MT). Exports of 153,700 MT were 1 percent below the previous week and the prior 4-week average. The primary destinations were the Dominican Republic (43,400 MT), Canada (25,200 MT), Venezuela (23,200 MT), and Mexico (12,300 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 31,900 MT were primarily for China (20,000 MT) and South Korea (10,000 MT). Exports of 12,000 MT were mainly to Nicaragua (3,600 MT), Mexico (2,000 MT),

the United Kingdom (2,000 MT), El Salvador (1,700 MT), and Guatemala (1,500 MT). Source: USDA

China's Soybean Imports Likely to Shot Up

China's soybean imports are likely to shot up in 2007 to 31 MMT, up 9.6% compared with last calendar year as the govt. and private companies buying more soybean and soybean oil to control rising edible oil prices in the country. China's soybean imports rose 6.3% in 2006. In 1st 10

months, China imported 24.54 million tonnes of soybean up 4.5% on year with October imports surging 27.3% on year to 2.85 million tonnes. China's soybean imports are likely to remain high in the remaining months of the year.

Brazil's Soybean Plantation 77% Completed

According to AgRural, Brazil the world's 2nd largest soybean producer after US has planted 77 per cent of the soybean crop till Nov. 27th of 2007-08 season and expected to harvest around 62.3 MMT. Weather is now favourable of advancing planting after a slow start due to

dry weather in Oct. or abundant rains in early Nov. Mato Grosso has sown 94 per cent, Parana 92 per cent and Rio Grande do Sul 55 per cent of soy crop of the estimated 5.6, 4.4 and 4.2 million hectares

Rapeseed/Mustard Sowing Fell at 5.27mil ha

Country's major winter oilseed Rapeseed / Mustard sowing fell to 5.27 million hectares as of November 30th against 6.13 million hectares corresponding period last year. Total winter oilseed (Groundnut, sunflower, linseed and

safflower) sowing was down at 6.97 million hectares against 8.13 million hectares in corresponding period last year.

Total Winter Oilseed Sowing Down at 6.97mil ha

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safflower) sowing was down at 6.97 million hectares as of Nov. 30th against 8.13 million hectares in corresponding period last year.

Mustard/Rapeseed Sowing Lagging Behind

According to the Central Organisation for Oil Industry and Trade (COOIT), area sown in mustard/rapeseed is 44.26 lha as of Nov. 23rd 2007, down 13.32 lha from 57.58 lha corresponding period last year. Rajasthan, the major

mustard growing state is short by almost 20% or 5 lha from its target of 27.00 lha mainly due to lack of soil moisture as well as farmers shifting to other lucrative crops.

35 Railway Wagons Has Been Seized in Kerala Carrying Crude Palm Oil

As per Press Trust of India (PTI) report, nearly 35 railway wagons loaded with 1,850 tonnes of crude palm oil have been seized in Kerala on doubt the oil was of poor quality. Recently, Kerala high court upheld the government

decision to ban the edible oil import in Kochi port to protect the coconut grower's interest. The authorities are suspecting the crude palm oil brought to Chennai before being brought into Kerala to avoid court order.

Malaysia Palm oil Exports Down 2.8% in November

As per SGS (a cargo Surveyor) latest figures, Malaysia palm oil exports dipped 2.8% to 1.27 mmt in November. In October, export was totaled at 1.3 mmt while traders were

expecting near 1.36 mmt. Exports to India declined around 38% to 32,820 tonnes from 52,860 tonnes last month.

Groundnut Exports Resume After 2 Years

As per market sources, an Indian company is plans to export 5,000 tonnes of groundnut oil at \$1745/tonne, basis cost and freight to France. The export of groundnut has resumed after a period of nearly 2 years. According to sources, another cargo is plans to export 5,000 tonnes to

Rotterdam, Europe. The trading companies are now offering at \$1700/tonne, free-on-board or \$1,850, cost and freight. Now, the groundnut oil export is not as much profitable as in early deal and traders prefer to unload into domestic market rather overseas markets.

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 on Monday for the period of November, 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 declined to EU, China, USA and India by 28.18%, 22.94%, 13.41% and 37.91%, respectively on week demand compared to the corresponding period under review last week.

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

(Unit: MT)

Countries/Continents	November	October	Change %
European Union	205,213	285,730	-28.18
China	327,849	425,474	-22.94
United States	128,256	148,120	-13.41
India	32,820	52,860	-37.91

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

Spot price of palm oil declined slightly in the last week on demand compression at higher price and moderate demand. However, the firmness in rival edible oil cushioned the palm oil to certain extent. As per Press Trust of India (PTI), nearly 35 railway wagons loaded with 1,850 tonnes of crude palm oil have been seized in Kerala on doubt the oil was of poor quality. The authorities are suspecting the crude palm oil brought to Chennai before being brought into Kerala to avoid court order. In last month, BMD reclaimed MYR3,000 per tonne level in expectation of good export demand but the gains washout on weak exports in November by 2.8% to 1.27 mmt from 1.3 mmt in October (as per SGS figures). Meanwhile, to stay in line with

international prices, Indonesia hiked the base prices of palm oil products. The new base prices will be effective December 1st onwards. Crude palm oil hiked to \$862/tonne from \$784/tonne earlier. RBD, palm olein has been raised to \$902/tonne from \$824/tonne while exports taxes kept unchanged at 10% as the international price of crude palm oil averaged \$932/tonne during Oct 20-Nov 19. The base prices is use to calculate the tax for palm oil exports. The most active February 08 contract of crude palm oil futures traded between MYR2,930-3,038/tonne (MYR2,930-3,044/tonne last week). In current week, crude palm oil CIF prices for December shipment traded between \$935-962/tonne (\$925-955/tonne last week).

Weekly Crude Palm Oil CIF prices of CPO

(Rs/ 10 kg)

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Kandla& Mumbai	962	955	935	945	940	962

Weekly prices for CPO

(Rs/ 10 kg)

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Kandla	462	462	454	453	456	454

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Kandla +VAT	500	495	490	490	488	488
Mumbai +VAT	505	502	495	495	500	495
Chennai +VAT	498	495	490	495	495	490
Kakinada +VAT	488	490	488	485	485	483
Hyderabad +VAT	500	500	500	500	500	497
Delhi	540	540	540	540	540	540

MC: Market Closed

Weekly prices for FOB (Kandla)**(US \$ / MT)**

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
CPO	890	902	887	885	877	875
RBD Palmolein	955	955	942	937	935	930

MC: Market Closed**Refined Soy Oil**

Soybean complex is improved towards weekend on good demand from stockists and solvent plants. Congestion at ports, shortage of warehouse space and increasing freight charges at ports coupled with improved CBOT added the firm tone. Soybean arrivals remained mostly steady. In expectation of further improvement in bean price, farmers are reluctant to unload into markets now and waiting for right time. Overall arrivals improved significantly from 4-4.5 to 13-14.5 lakh bags. Country's soymeal exports are expected to shoot up to 4 lakh tonnes in current season on continuing good demand from China as well as expectations that demand from other neighboring country to jump by more than three times. So far solvent plants have made 20 lakh tonnes of soymeal export commitments and are made at an average price of \$330-340/tonne FAS. Also Indian soymeal is cheaper to the importing countries in Southeast Asia due to low freight charges of \$40-50/tonne compare to rates quoted by exporters in Brazil and Argentina. Thus in coming days prices are expected to

remain firm on growing soymeal demand and attractive parities to plants/crushers. Meanwhile, as per US Foreign Agriculture service, India's soybean output is expected to rise by 20% to 9.25 mil tonnes this year compared to 7.96 mil tonnes last year. Increased 9% acreage to 8.85 mil ha or 21.9 mil acres on the back of higher yields due to favourable climatic conditions. Internationally, as of Nov. 23 around 77% of soy crop has been planted in Brazil. Farmers are expected to plant near 22.4 mil ha of soy crop this season, up 8% from the last year. Soybean plant delivery prices (Indore) traded firm from last week's level of Rs 1740-1770/qtl to Rs. 1780-1850/qtl. Mandi prices also increased from Rs 1650-1715/qtl last week to Rs 1700-1795/qtl. The CIF prices of crude soy oil for December shipment increased in the week to \$1130-1142/MT from 1094-1118/MT, last week. The prices of soy oil prices in Indore traded firm to Rs.507-510/10 Kg from 497-500/10 kg, last week ahead of marriage season.

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

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Mumbai +VAT	527	534	530	528	532	530
Indore +VAT	507	510	510	508	510	510
Kota +VAT	518	519	518	518	518	518
Hyderabad +VAT	531	531	530	540	540	540
Rajkot +VAT	526	526	526	526	526	526
Jaipur +VAT	526	526	526	527	527	527
Chennai +VAT	570	570	570	565	565	560

MC: Market Closed**Prices for Soy Degum (Mumbai) during the week****(Rs/ 10 kg)**

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Mumbai	522	525	525	525	525	528

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

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Kandla & Mumbai	1135	1142	1132	1130	1130	1122

Rape/Mustard Oil

Mustard seed cash market traded steady to firm on declined arrivals and steady demand. Steady to weak sentiment witnessed in Mustard DOC, whereas oils firmed up on winter and Northeast demand coupled with bullish-

tone in regional/local exchanges (Hapur, Sirsa, Delhi). Overall arrivals declined from last week's 14,000-15,000 to 11,500-15,000 bags. However, expectation of lower production this rabi season is seen limiting the downside.

Due to continuing dry weather and inadequate soil moisture coupled with shifting from mustard to other lucrative crops Mustard seed sowing is lagging in Rajasthan and acreages is not likely to reach the state govt. target of 27 lha in 2007/08 Rabi season. As per Central Organization of Oil Industry and Trade (COOIT), Rajasthan acreage is dropped 39% to 16.27 lha from 26.75 lha a year ago. The low realization on crushing of seeds kept expellers away for

bulk purchase. Thus, prices are expected to remain firm in coming days on expectation of lower production coupled with lower inventories in the country. Spot prices [condition and non-condition] traded between to Rs. 2370-2500/qrtl and Rs 2000-2040/qrtl respectively against Rs 2390-2450/qrtl and Rs 1980-2000/qrtl last week. Whereas mustard expeller oil in Kota increased to Rs. 510-515/10kg from Rs 502-508/10 Kg last week.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Mumbai + VAT	545	535	552	550	550	550
Kota +VAT	510	512	512	515	515	515
Jaipur +VAT	518	520	520	524	524	524
Delhi	540	540	540	540	540	540
Neewai +VAT	508	510	510	514	514	514

MC: Market Closed.

Groundnut oil

Improved demand and spiraling refined cottonseeds oil strengthened groundnut complex in last week. Buyers wanted groundnut oil at cheaper price but the expellers were reluctant to sell off at lower price as seed is surging across Gujarat and other states. In Kharif season, the oilseeds output is likely to go up by 25% to 16.5-17 million tonnes, however, some traders are expecting, it may move to 18 million tonnes against last year's 13.5-14 million tonnes. After hiatus of 2 years, groundnut oil has resumed and an Indian company is plans to export 5,000 tonnes of groundnut oil at \$1745/tonne, basis cost and freight to France. According to sources, another cargo is plans to export 5,000 tonnes to Rotterdam, Europe. The trading

companies are now offering at \$1700/tonne, free-on-board or \$1,850, cost and freight. Now, the profitability to export groundnut oil is low vis-à-vis earlier deals and traders prefer to unload into domestic market rather overseas markets. As per government latest sowing figures, Rabi groundnut sowing is completed in 2.12 lakh hectares as on November 23rd up from 1.71 lakh hectares last week and 2.6 lakh hectares last year. The prices of groundnut seeds for different qualities traded between Rs. 410-530/20kg (Rs. 410-520/20 kg last week) in different markets in Gujarat during the week. In Rajkot market groundnut oil traded between Rs. 675-695/10 kg from Rs. 645-690/10 kg last week).

Prices for groundnut oil during the week

(Rs/10 kg)

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Mumbai +VAT	660	670	670	670	670	665
Rajkot +VAT	680	695	680	675	678	675
Andhra Region	645	650	650	620	620	620
Chennai +VAT	620	640	640	640	640	630
Delhi	700	700	700	700	700	700

Refined Sunflower Oil

Following firmness in others edible oil and steady demand, spot prices of refined sunflower oil stood in firm tone in major trading centres. To remains in sync with costlier landing of imported sunflower oil to domestically produced, price of refined sunflower oil moved up further breaching previous level. This shows the underlying bullishness in overseas markets. However, the biodiesel production is not a profitable these days due to higher edible oil price in international market. According to government statistics,

Rabi sunflower seeds sowing in completed 6.82 lakh hectares on November 23rd from 5.78 lakh hectares on November 16th and 8.1 lakh hectares a year ago. Currently high price of sunflower seeds and oil in world markets supported the sowing in Argentina and nearly 520,000 hectares has been planted with sunflower. In expectation of further improvement in short-term, stockists would continue to maintain their buying.

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

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Mumbai +VAT	670	700	700	705	705	700
Chennai +VAT	690	700	710	710	715	710
Hyderabad +VAT	712	715	715	730	730	730

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

Center	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Kandla & Mumbai	1450	1450	1450	1450	1440	1440

Refined Cottonseeds Oil

The good local demand and firmness in others edible oil cast firmness for refined cottonseeds oil across domestic markets. The strengthening rupees values over dollar hampered cotton exporters' profitability. They are reluctant to unload into overseas market and willing to improve supplies in domestic market. As Cotton Corporation of India is set to begin the purchase of cotton from November 29, cotton price would get boost with spill over impact in domestic markets. The good cotton production has ensured the adequate supplies of cottonseeds for oil. This year area under cotton has gone up by 12% to 73.73 lakh hectares

against 66.12 lakh hectares last year. As per reports, India is likely to overtake the Turkey in organic cotton production in 2006/07 season. In 2005/06, country organic cotton production 31.71% to 9,835 tonnes while Turkey had produced 32.76% more cotton to 10,160 tonnes. In current crop year (July-June) Bt cotton crop has crossed 65% to total cotton acreage. The cotton arrivals would likely to stay over to 37 lakh bales from 22 lakh bales a year ago. Seeing this, private player also expecting to cash opportunity by procuring cotton in coming days.

Prices for Refined Cotton Oil during this week

Markets	26.11.07	27.11.07	28.11.07	29. 11.07	30. 11.07	01.12.07
Mumbai +VAT	523	527	525	528	528	522
Hyderabad +VAT	525	527	527	525	525	525
Rajkot +VAT	550	540	538	535	544	538
Delhi	530	528	528	528	528	525

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS**BMD CPO Futures Fall on Bearish Data**

Below expected export numbers in November induced traders to profit taking that led to crude palm oil to finished the lowest in current week in Bursa Malaysian Derivatives Exchange Friday. The most active February contract of crude palm oil futures declined MYR60 to MYR2,930 per tonne. Friday, SGS estimated, November palm oil exports

dipped 2.8% to 1.27 million tonnes while traders were expecting near 1.36 mmt. In October exports were totaled at 1.30 mmt. The higher palm oil production is also expecting in November, which may pressure the price further in short-term, traders added.

CBOT Soy Futures Settled Down

Soy futures settled down on CBOT. January soybeans settled down 18 cent at \$396.79 per MT. November soybeans closed 11.25 cents down at \$371.07 per MT. January soy meal closed \$2.6 down at \$322.97 per MT. January soybean oil ended 0.54 down at \$1016.04 per MT. Amidst weakness in gold and crude oil prices coupled with surging dollar along with lack of fresh demand from China pressured the entire soy complex. Sell-off in wheat market

and higher deliveries further added negative tone. The Deliveries on 1st notice day for Dec. oil came at 7,471 contracts, higher than trade expectation of 2,000-4,000 contracts. Meal deliveries came at 1,383 contracts, higher than expectations of 200-500 contracts. Malaysian palm oil exports were down 2.2% in November Vs October, which also pressurized oil.

WEEKLY WEATHER WATCH

FORECAST FOR NEXT 5 DAYS

A western disturbance over Jammu & Kashmir and Himachal Pradesh is moved away in eastward direction, today. At present another western disturbance lies over Pakistan and adjoining parts of NW India. Model predictions suggest that the W.D. is likely move in eastward direction across NW India during next 48 Hrs. Under its influence, hilly regions viz. J&K, H.P. and Uttrakhand are likely to receive fairly widespread snowfall/rain during next 24-48 Hrs. Parts of adjoining plains of NW India viz. Punjab, Rajasthan, Haryana, Delhi and west Uttar Pradesh are likely to have isolated to scattered showers during next 2 days. Thereafter, NW and adjoining central India are likely to experience fall in temperatures by about 2-4 °C. Fog is also expected in the morning and evening hours over Indo-gangetic plains. This is likely to lead to chilly day & night conditions after 3rd December. Models predict for isolated to scattered rainfall over extreme south peninsular Indian region viz. south coastal Tamilnadu and Karala.

Zone-wise weather forecast

NORTH & NORTH-WEST INDIA: Fairly widespread snowfall/rain over J&K, H.P. and Uttaranchal during next 24-48 Hrs. Isolated to scattered rainfall is also expected over rest of the region during 2-3 December.

EAST AND NE INDIA: Mainly dry weather is expected over the region.

CENTRAL INDIA: Mainly dry weather is likely over the region. Night temperature is likely to fall by 3-4 °C during next 4-5 days.

SOUTH INDIA: Isolated to scattered rainfall is likely over south coastal Tamilnadu, Kerala and Andaman & Nicobar islands. Mainly dry weather over rest of the region.

WEST INDIA: Isolated rainfall is expected over north Rajasthan during next 48 Hrs. Mainly dry weather is expected over rest of the region. Source: NCMRWF

PORT WATCH

Port updates of edible oils in India (Nov 26-Dec 01 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	12,420	12,499	24,919
Palm oil	4,100	17,500	21,600
Palm oil Product	26,635	35,900	62,535
Total	43,155	65,899	109,054

Source: ANAS

Forex Rates:

(October Nov 26-Dec 01, 2007)

Country/ Continent	Currency	Value in Rupees	
		01.12.07	26.11.07
USA	Dollar	39.59	39.65
European Union	Euro	58.16	58.78
Japan	100 Yen	35.67	36.60
United Kingdom	Pound Sterling	81.43	81.55

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