

MAJOR WEEKLY HIGHLIGHTS

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DOMESTIC & INTERNATIONAL NEWS

USDA Weekly Export Sales Highlights for Soybean:

Net sales of 872,400 MT were 10 percent below the previous week and 26 percent under the prior 4-week average. Increases were reported for China (245,200 MT, including 47,000 MT switched from unknown destinations), Mexico (189,500 MT), South Korea (100,000 MT), unknown destinations (88,000 MT), the Netherlands (64,100 MT, including 60,000 MT switched from unknown destinations), and Indonesia (57,100 MT). Sales of 57,200 MT for delivery in 2008/09 were for Japan (42,000 MT) and

unknown destinations (15,200 MT). Exports of 1,103,000 MT--a marketing-year high--were 23 percent above the previous week and 35 percent over the prior 4-week average. China (846,700 MT) was the primary destination, with smaller quantities to Japan (71,400 MT), the Netherlands (64,100 MT), and Taiwan (42,000 MT). Note: Accumulated exports for Canada were adjusted down 15,400 MT and up for Iran 15,400 MT. Source: USDA

USDA Weekly Export Sales Highlights for Soy meal

Net sales of 111,800 MT were 17 percent above the previous week, but 17 percent below the prior 4-week average. Increases reported for Canada (29,200 MT), unknown destinations (26,800 MT), Venezuela (13,000 MT), Mexico (10,600 MT), and Turkey (8,000 MT), were partially offset by decreases for Guatemala (10,900 MT).

Exports of 117,100 MT were 15 percent below the previous week and 27 percent under the prior 4-week average. The primary destinations were Saudi Arabia (27,500 MT), Canada (24,000 MT), Mexico (11,200 MT), Colombia (8,000 MT), and El Salvador (7,500 MT). Source: USDA

USDA Weekly Export Sales Highlights for Soy Oil

Net sales of 8,500 MT were primarily for Cuba (5,000 MT), Canada (2,000 MT), and Colombia (1,000 MT). Optional origin sales of 42,000 MT for unknown destinations were declared other than U.S. origin. Exports of 41,700 MT--a

marketing-year high--were mainly to China (19,400 MT), South Korea (10,000 MT), Hong Kong (8,000 MT), and Mexico (2,000 MT). Source: USDA

India Will Review the Import Duty on Edible oil

In a sugar industry event, a government official clued that import duties on edible oil will be review. This basis of this

is soaring international markets. The crude palm oil prices is hovering near MYR3,000/tonne level.

Malaysia Palm oil Export Rose 11.5% in the December 1-15

As per latest SGS (a cargo Surveyor) figures, Malaysia palm oil export increased 11.5% to 747,834 tonnes in the December 1-15. In November 1-15, export was totaled at 670,772 tonnes. Whereas another cargo Surveyor, Intertek

pegged exports at 728,067 tonnes Both were above the trade expectation around 728,000 tonnes in December 1-15.

Vegetable oil Import Rose 41.68% in November

According to solvent extractor's Association of India, vegetable oil imports in November increases 41.68% to 427,912 tonnes from 302,034 tonnes, last year. Out of this, edible oil imports grew 38% to 347,320 tonnes v/s 252,242 tonnes in November 06. Interestingly, first time in last five

year, not a single vessel carrying soy oil is reported. This is due to wide difference between landing cost of imported and domestically produced soy oil and good crushing of record soybean.

Malaysia Palm oil Exports Improved 1.4% in the December 1-20

As per latest SGS (a cargo Surveyor) figures, Malaysia palm oil exports increased 1.4% to 964,094 tonnes in the December 1-20. In November 1-20, export was totaled at 950,983 tonnes. Whereas another cargo Surveyor, Intertek

pegged exports at 946,210 tonnes. Both were above the trade expectation around 925,000-950,000 tonnes in the December 1-20.

NAFED Will Import Around 4,000 tonnes of Crude Palm oil

NAFED has big plans to import crude palm oil on commercial basis. In first week of January, NAFED will import nearly 4,000 tonnes of crude palm oil. Besides, NAFED will assess the prevailing edible oil situation in domestic markets and import accordingly 4,000-5,000

tonnes of crude palm oil, every month. In October, government has urged state-run agencies (NAFED, STC and MMTC) to import 86,500 tonnes of edible oil to check sharp rise in local edible oil prices in addition to 38,500 tonnes that already contracted.

Argentina October Soy oil Exports Rose 180%

As per Argentine Agriculture Secretariat, soybean exports in October rose sharply by 180% to 1,616,426 tonne from 576,579 tonne vis-à-vis last year. China emerged as major

buyer and purchased 1,363,146 tonnes of soybean. October soy oil exports increase to 733,408 tonnes from 576,897 tonnes, a year ago.

Rabi Oilseeds Sowing is Lagging vis-à-vis Last Year

As per government latest Rabi sowing figures, rape/mustard seeds sowing is completed in 57.26 lakh tonnes as on December 14 from 55.94 lakh hectares on December 7th and 64.27 lakh tonnes, last year. Groundnut sowing, which is completed in 3.46 lakh tonnes on

December 14th from 3.28 lakh hectares a week ago and 3.64 lakh hectares last year. Sunflower seeds sowing remained in 8.3 lakh hectares on December 14th v/s 7.84 lakh hectares a week ago and 9.86 lakh hectares last year.

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 December 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 improved to China and India by 9.62% and 16.88%, respectively while exports for EU and USA declined by 6% and 29.27%, 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	December 1-20	November 1-20	Change %
European Union	148,695	158,187	-6.00
China	263,640	240,514	+9.62
United States	62,961	89,017	-29.27
India	33,685	28,820	+16.88

Source: SGS (Malaysia) Bhd.

DOMESTIC MARKET ANALYSIS

Palm Oil

In a sugar industry event, a government official clued that import duties on edible oil will be review as edible oil price is rising in international markets, which is reversal of December 19th decision.. Recently, Agriculture Minister, Sharad Pawar mentioned that government has no plan to reduce the import duties on edible oil. On the other hand, NAFED has big plans to import crude palm oil on commercial basis. This will replenish the domestic supplies and will control the rise in edible oil. In first week of January, NAFED will import nearly 4,000 tonnes of crude palm oil. Besides, NAFED will assess the prevailing edible oil situation in domestic markets and import accordingly 4,000-5,000 tonnes of crude palm oil, every month. According to solvent extractor's Association of India, vegetable oil imports in November increases 41.68% to 427,912 tonnes from 302,034 tonnes, last year. Out of this, edible oil imports grew 38% to 347,320 tonnes v/s 252,242 tonnes in November 06. The crude palm oil and RBD palm olein imports rose sharply to 314,611 tonnes and 30,014

tonnes in November from 180,036 tonnes and 5,500 tonnes, respectively. The ongoing rain has affected the palm kernel harvesting and transports in Malaysia. The damp surface is starting to rot the harvested palm fruit. Besides, severe rains has forecasted in several palm oil producing region, which will keep BMD buoyant in coming days. Malaysian government has claimed that production may fell to 15.7-15.8 mmt in current year from 16.2 mmt also supported the sentiments. As per latest SGS, Malaysia palm oil exports increased 1.4% to 964,094 tonnes in the December 1-20. In November 1-20, export was totaled at 950,983 tonnes. Whereas another cargo Surveyor, Intertek pegged exports at 946,210 tonnes. Both were above the trade expectation around 925,000-950,000 tonnes in the December 1-20. The most active March contract of crude palm oil futures traded between MYR2,962-2,992/tonne (MYR2,870-2,930/tonne last week). In current week, crude palm oil CIF prices for January shipment traded between \$940-950/tonne (\$920-940/tonne last week).

Weekly Crude Palm Oil CIF prices of CPO

(Rs/ 10 kg)

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Kandla& Mumbai	947	940	942	NA	950	NA

Weekly prices for CPO

(Rs/ 10 kg)

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Kandla	455	457	455	457	458	460

Weekly prices for RBD Palmolein

(Rs/ 10 kg)

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Kandla +VAT	488	488	488	494	494	494
Mumbai +VAT	494	496	497	496	498	500
Chennai +VAT	487	488	488	490	490	492
Kakinada +VAT	475	478	478	482	482	484
Hyderabad +VAT	494	490	490	495	498	500
Delhi	540	540	540	540	540	550

MC: Market Closed

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

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
CPO	885	887	885	887	895	897
RBD Palmolein	947	947	947	950	960	960

MC: Market Closed**Refined Soy Oil**

Soybean spot market traded firm during the week amid good demand from plants/crushers on expectation of higher soymeal export which fetched them good parity. Firm soy complex at international market, CBOT and firm BMD during the week seems supported the domestic spot market. India is considered to be Asia's biggest soybean meal supplier and has exported 2.5 million metric tons since October which is more than half of targeted exports of 4.5 million tons for the year through September 2008, according to a spokesman for the soybean-processing industry. India's soybean meal prices have almost doubled to around \$400 a ton, excluding freight costs, compared to previous year. Due to the global soymeal shortage this year, the buyers have diverted to India to meet soymeal

demand including China, countries from Europe and Southeast Asian countries like Vietnam, Indonesia and South Korea and Japan. According to the Solvent Extractors' Association of India, India's oilmeal exports in the month of November rose 1.3% to 590,825 metric tons from 583,250 tons last year. The estimated soybean production in India increased 1 million tons from last month to a record 9.2 million. The daily arrivals of soybean at major markets this week was reported from 3.00-3.25 lakh bags compared to previous week of 3.45-4.20 lakh bags. The prices of plants this week ranged from Rs.1870-1900/qtl to Rs.1950-63/qtl and the prices of mandi ranged from 1800-40/qtl to Rs.1900-25/qtl.

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

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Mumbai +VAT	530	532	532	534	534	537
Indore +VAT	508	511	512	512	513	515
Kota +VAT	516	516	516	516	518	525
Hyderabad +VAT	525	525	525	530	530	535
Rajkot +VAT	530	530	530	530	532	535
Jaipur +VAT	530	530	530	530	533	540
Chennai +VAT	550	550	550	550	560	550

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

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Mumbai	NA	525	525	525	NA	NA

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

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Kandla & Mumbai	1117	1105	1108	1117	1112	1122

Rape/Mustard Oil

Overall mustard seed cash market firm following firm edible oil prices at international market, CPO at BMD. Firm regional/local exchanges (Hapur, Sirsa & Delhi) following may have supported the prices. At Jaipur spot market the prices ranged between Rs.2425-30/qtl while the average daily arrival at the market, Jaipur, was between 9,000-12,000 bags. However, According to a senior official of the National Agriculture Cooperative Marketing Federation

(Nafed), the government agency for price support scheme (PSS) in oilseeds, the procurement of mustard is likely to be low in the rabi marketing season next year, though the minimum support (MSP) of mustard has been raised from Rs.1,715 to Rs.1,800 a quintal. Nafed is currently focusing on packaged oil. Mustard sowing in the ongoing rabi season is lagging behind at 5.72 million hectares (as on Dec 14) against 6.42 million hectares last year and the

production is likely to drop this year. Nafed at present has a stock of 350,000 tonnes of mustard seed. It is selling 30,000 tonnes every month as seed while processing

another 40,000 tonnes into oil and is able to sell 4,925 tonnes of mustard oil worth Rs.26 crore so far in the current financial year.

Prices for Rape Expeller Oil

(Rs/ 10 kg)

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Mumbai + VAT	530	540	540	540	540	546
Kota +VAT	505	510	510	510	510	516
Jaipur +VAT	515	518	518	518	518	524
Delhi	538	540	540	540	540	540
Neewai +VAT	503	508	508	508	508	514

MC: Market Closed.

Groundnut oil

Steady demand, firmed seeds price and thin trading has supported groundnut complex in the week started from December 17. Due to heavy rainfall in parts in Tamil Nadu, nearly 600 hectares land with Rabi groundnut has been submerged in Ariyalur district. The Rabi groundnut plantation is on in Tamil Nadu. Anticipating long-term firmness in groundnut oil, expellers were reluctant to sell off at cheaper rate. While cheaper availability of cottonseeds oil lowered the expected good demand of groundnut oil by the retailers. Expellers are receiving attractive price of meal in domestic markets and preferring to unload in local

market. However, meal demand is weak at ports. The seeds prices remain firmed on lagging sowing and good demand from stockists and resellers. As per government latest sowing figures, Rabi groundnut sowing is completed in 3.46 lakh hectares on December 14th from 3.28 lakh hectares last week and 3.64 lakh hectares a year ago. The prices of groundnut seeds for different qualities traded between Rs. 517-522/20kg (Rs. 500-515/20 kg last week) in Gujarat during the week. In Rajkot market groundnut oil traded between Rs. 670-675/10 kg from Rs. 650-660/10 kg, last week).

Prices for groundnut oil during the week

(Rs/10 kg)

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Mumbai +VAT	630	635	635	635	635	640
Rajkot +VAT	675	675	670	675	675	675
Andhra Region	620	615	615	615	615	620
Chennai +VAT	610	610	610	610	620	620
Delhi	700	700	700	700	700	700

Refined Sunflower Oil

Physical price of refined sunflower oil artificially firmed up on steady demand and supplies, however firmness in crude oil remain supportive. As the world stock of sunflower is short, which subduing the weakness, expecting earlier by traders. As current prices of CIF are hovering above \$1400 per tonne level, which aided supported the sentiments. As crude oil has consolidated at Rs. 610 per 10kg on December 19th, from Rs. 660 per 10kg as on December

1st, dependency on import oil remain weak on ample availability of other source oil. As per Argentine Agriculture Secretariat, sunflower seeds oil exports fell sharply to 53% in October to 47,832 tonne from 101,297 tonne vis-à-vis last year. Egypt was major buyer and purchased 9,393 tonnes of sunflower seeds oil. Argentina is the leading exporter of sunflower oil.

Prices for Refined Sunflower Oil during this week

(Rs/10Kg)

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Mumbai +VAT	660	660	660	665	670	680
Chennai +VAT	680	680	680	680	695	690
Hyderabad +VAT	680	680	680	690	690	695

Prices for CIF Sunflower during the week

(US \$/ MT)

Center	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Kandla & Mumbai	1390	1373	1380	1413	1400	1400

Refined Cottonseeds Oil

The sharp gains in soy oil futures has spill over impact in domestic markets and price of refined cottonseeds oil firmed up, however, demand remained steady. Buyers were stayed away as current price is quite high and waiting for correction prior to raise their demand. Demand from their end also remained dull. The weak tone in cotton meals

capped the gains to certain extent. Traders declined the weakness in the markets on underlying firmness in others edible oil. The profitability on growing Bt cotton is more than non Bt cotton as study conducted in Andhra Pradesh. This may induce more farmers to opt Bt variety of cotton in next year onwards.

Prices for Refined Cotton Oil during this week

Markets	17.12.07	18.12.07	19.12.07	20.12.07	21.12.07	22.12.07
Mumbai +VAT	515	519	516	518	520	520
Hyderabad +VAT	513	510	510	515	515	518
Rajkot +VAT	522	522	516	515	515	518
Delhi	510	505	505	510	510	510

INTERNATIONAL MARKET WEEKLY HIGHLIGHTS

BMD CPO Futures Finish Up on Weather Concerns

Weather concern in palm oil producing regions strengthened crude palm oil futures at Bursa Malaysian Derivatives Exchange Wednesday. Besides, market also finds support high exports figures against trade expectation. The most active March contract of crude palm oil futures finished MYR30 up at MYR2,992 per tonne. Market briefly stayed above to psychological barrier of

MYR3,000 per tonne. During the trade session, SGS released exports sales estimation, which highlighted the exports rose merely 1.4% to 964,094 tonnes in the December 1-20. Trading volume declined sharply to 3,841 lots from 7,575 lots yesterday while open interest also declined to 41,071 lots from 42,145 lots Thursday.

Soy futures settled up on CBOT

January soybeans settled up 16.75 cent at \$432.61 per MT. November soybeans closed 16.25 cents up at \$402.21 per MT. January soybean meal closed \$3.1 up at \$368.77 per MT. January soybean oil ended 0.52 up at \$1039.18 per MT. At CBOT soybean futures rallied setting new contract highs from same long term factor, supportive underlying fundamentals and technical strength kept bullish traders enthused. Apart from it higher prices for Malaysian palm oil

on supply concerns and higher crude oil prices were supportive factors to the market at CBOT. However, new CBOT January meal contract could not end up as expected. The absence of any significant selling helped extend the gains, as sellers remain unwilling to stand in front of the bullish trend. Overall activity lacked intensity despite the double-digit gains, with some traders evening out positions ahead of an extended break during the holidays.

WEEKLY WEATHER WATCH

FORECAST FOR NEXT 5 DAYS

Minimum temperatures are likely to remain below normal by 2-3°C over Punjab, Haryana, Jammu & Kashmir, West Madhya Pradesh, East Rajasthan and West Uttar Pradesh during the week. Cold wave condition is likely to develop over East Uttar Pradesh and Bihar. Model prediction suggest that a Western Disturbance (W.D.) is lying over J&K and adjoining area. Under its influence fairly

widespread snowfall/rainfall are likely over hilly region of northwest India viz. J&K, H.P and Uttaranchal during 20-21 Dec, 07. Night temperature may rise during next 24 hrs over northwest India. Another western disturbance is approaching Northern parts of the country on 24th Dec, 07. Under its influence fairly widespread snowfall/rainfall are likely over hilly region of northwest India during 24th and

25th Dec,07. Plains of northwest India are also likely to receive isolated to scattered rainfall during 24-25 Dec 07. Under the influence of a trough in easterlies over southwest Bay of Bengal, fairly widespread rainfall with isolated heavy to very heavy falls is likely over extreme south peninsular region during next 48 hours.

ZONE-WISE WEATHER FORECAST

NORTH & NORTH-WEST INDIA: J&K & H.P. are expected to receive scattered to fairly widespread snowfall/rain around 20-21 December,07. and again on 24th to 25th December 2007. Isolated/scattered rainfall is likely over plains of North West India from 24th to 25th Dec,2007.

EAST AND NE INDIA: Mainly dry weather is expected over the region. Fall in minimum temperatures by 2-3°C leading to cold wave conditions over some parts of eastern region of the country.

CENTRAL INDIA: Mainly dry weather is expected during next 4-5 days. Fall in minimum temperatures by 2-3°C leading to cold wave conditions over northern parts of the region.

SOUTH INDIA: Widespread rainfall is likely over coastal Tamilnadu and Kerala during next 48 hours and decrease thereafter. Scattered to fairly widespread rainfall is likely over interior Tamilnadu and coastal A.P. during next 48 hours and decrease thereafter. Isolated to scattered rainfall is likely over Rayalseema, South interior Karnataka and Andaman & Nicobar. Mainly dry weather is likely over rest of the region.

WEST INDIA: Mainly dry and cold weather is expected over the region. Source: NCMRWF

PORT WATCH

Port updates of edible oils in India (Dec 17-22 2007)

(Unit: Metric Tonnes)

Particulars	Expected	Arrived	Total
CPO	11,000	47,544	58,544
Palm oil	9,500	11,000	20,500
Groundnut oil (Exports)	7,500	6,000	13,500
P. Product	38,500	12,000	50,500
Total	66,500	76,544	143,044

Forex Rates:

(October Dec 10-14, 2007)

Country/ Continent	Currency	Value in Rupees	
		22.12.07	17.12.07
USA	Dollar	39.34	39.37
European Union	Euro	56.49	56.83
Japan	100 Yen	34.49	34.82
United Kingdom	Pound Sterling	78.01	79.47

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