

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Sept 28, 2007

SPOT MARKETS:

Supply of beans on Thursday declined to 38,000 bags against 56,000 bags yesterday. Fresh arrivals of beans are yet to pick up in Rajasthan. The very factor has accounted for keeping soybean prices almost firm across Rajasthan. Spot prices stood almost firm except for MP. Plant delivery rates stood almost buoyant on good demand for soymeal in domestic markets and at ports. Firm global advices underpinned soybean prices at CBOT. The spill over effect was evident on domestic soy-complex. Oil World estimates the world's soybean output in 2007/2008 at 223.6 million tons, down 14.1 million from last season.

FUTURES MARKET: -

The soybeans futures at NCDEX traded firm. The October contract of soybeans futures opened at Rs 1611 per qtl against previous closing of Rs 1606.50 per qtl. Futures closed up at 1645.0 per qtl.

PRICE DRIVERS:

1. Decline in daily arrivals of beans.
2. Firm soymeal sentiments.
3. Soybean harvest in US & India.
4. World soybean output to decline.

WEATHER:

IMD estimates good kharif crop production this year on account of above normal rainfall distribution this year. However, late departure of rains may impact crop production.

TECHNICALS: -

Long hollow candlesticks indicate firmness in prices with strong selling pressure at higher levels as seen from a prominent upper shadow of the candlestick. EMA and MACD show medium term firmness. RSI moved up after recent dip while stochastic is seen moving down steadily from overbought region. Both volumes and open interest increased. Prices are likely to open firm with possibility of late corrections likely.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-	1600	1600	1615	1650	1650

Status of Price & Supply of Soybean (Rs /Qtl) [Plant: - P // Mandi: - M]

Markets	27.09.07	26.09.07	Change	Arrivals (Bags)
Indore [P]	1610-1620	1600-1610	+10	30,000
Indore [M]	1480-1550	1430-1550	0	
Maharashtra [P]	1700	1700-1730	-30	4,000-5,000
Maharashtra [M]	1670	1550-1650	+20	
Kota [P]	1610-1620	1600	+20	2,000-3,000
Kota [M]	1600-1610	1550-1580	+30	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1611.00	1649.50	1611.00	1645.00	1606.50	+2.38
NCDEX	Nov	1610.00	1647.00	1610.00	1642.00	1600.50	+2.18
NCDEX	Dec	1633.00	1666.50	1633.00	1660.00	1625.50	+2.11



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■ MUSTARD

SPOT MARKETS:

Observers believe that good oilseed production this season is unlikely to meet demand for edible oils despite good crushing across mills. NAFED has so far imported around 40,000 MT of edible oils and would import more to meet growing demand only after assessing International prices of CPO and CBSBO. Supply of seeds stood steady at previous levels of 15,000-16,000 bags. Spot prices of seed softened in Delhi and Agra, firmed up marginally across Alwar and Ganganagar and stood steady in Jaipur. Firm sentiments across soy complex factored in to keep seed prices almost firm across domestic exchanges. Late monsoon rains have provided supportive grounds for timely sowing operation for mustard/rapeseed. Sowing of Taramira [type of rapeseed/mustard] is likely to pick up from first week of October followed up by mustard seed from second fortnight onwards.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded firm on buying support at current levels. The **October** futures of mustard seeds opened at Rs 454 Kg against previous closing level of Rs 453.05 Kg. Futures closed at Rs 456.95 per 20 Kg.

PRICE DRIVERS:

1. NAFED to import more edible oils.
2. Harvest pressure of kharif oilseeds.
3. Sowing demand for mustard seed.
4. Festive and marriage season demand for edible oils.

WEATHER: -

Late monsoon showers beneficial for seed sowing mid Oct.

TECHNICALS: -

Chart pattern shows firmness in prices. MACD and EMA pattern shows medium term firmness. Stochastic and RSI are heading up in overbought region. Volumes declined and open interest increased. Prices are likely to open steady with strong possibility of late corrections on imminent selling pressure at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct	448	450	456.95	460	463

Trade Recommendation:

BUY Oct futures near 456 with T1 at 458 and T2 - 459. SL at 454.

Status of Price & Supply of Mustard (Rs /Qtl) C: Conditioned // NC: - Non-Conditioned

Markets	27.09.07	26.09.07	Change	Arrivals (Bags)
Jaipur (C)	2190-2200	2,200	0	
Alwar(C)	2130-2135	2,125	+10	1,000-1100
Delhi(C)	2200	2,200-2,210	-10	700-800
Agra(C)/Katchi Ghani	2300/5150	2,325/5,150	-25	
Sri Ganganagar (NC)	1865-1870	1,850	+20	700-800
Kota (NC)	-	-		-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	454.00	458.00	454.00	456.95	452.75	+0.93
NCDEX	Nov	450.55	455.00	450.55	453.45	449.15	+0.96
NCDEX	Dec	451.00	454.70	450.55	452.50	448.85	+0.81

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■ GROUNDNUT

SPOT MARKET: -

Current rains are found beneficial for groundnut crop in terms of increasing yield prospects as stated by spokesperson from SEA of India. Traders expect that groundnut production could touch levels of 48-49 lakh MT, a hike of around 13-15 lakh MT. However, first advance estimate by Ministry of Agriculture holds groundnut production estimate at 51.8 lakh MT.

The prices of shelled nuts on Thursday firmed up marginally to Rs 410 to 551/20 Kg for different grades of nuts sold in Gondal, Junagarh and Jamnagar region of Gujarat. Prices of groundnut oil stood steady at Rs 816-818/10 Kg in Rajkot market. Good nuts production is likely to impact edible oil imports scenario for the months to come ahead.

Russian Federation has temporarily lifted curbs on import of groundnut from India for period of 4 months w.e.f 17th of September. The Federation further stated for adhering to quality and safety certification in order to facilitate smooth exports of groundnut to Russian Federation.

COMMODITIES RESEARCH

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