

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 15th, 2007

SPOT MARKETS:

Amidst increased arrivals against mild demand the prices of soybean eased during the Saturday's trade across the markets. Overall arrivals improved from the Friday's level of 5,00,000-5,20,000 bags to around 5,50,000 bags. Steady to weak sentiment of soymeal at ports further pressurized the prices to some extent. Also the higher moisture content in fresh beans added bearishness. However, sources revealed that due to export commitments of soymeal by Dec'07 demand from millers and crushers are expected to emerge in the market, which is likely to boost the prices besides the festival demand. Internationally, soybean acreage in Argentina is expected to increase by 4.3 per cent over the last year to 16.8 mln ha this season due to favourable incentives to farmers.

FUTURES MARKET: -

Soybean futures at NCDEX traded weak. November contract of soybean futures opened weak at Rs 1620.00/ctl against the previous close of Rs 1624.00/ctl and traded up initially testing a high of Rs 1624.00/ctl. However, prices tumbled thereafter on selling pressure at higher level and tested a low of Rs 1608.00/ctl before it closed at 1613.00/ctl.

PRICE DRIVERS:

1. Weakness on CBOT
2. Improved arrivals of beans.
3. Steady to weak soymeal sentiments.
4. Harvest picking up in MP and Maharashtra

WEATHER:

SW monsoon is withdrawn from NW India, favours harvesting.

TECHNICALS: -

Candlestick chart pattern shows weakness in prices. Prices closed between the short-term EMA's indicating very short-term firmness. MACD is moving down in the positive territory. Stochastic is moving up while RSI is heading down in the neutral zone. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX -Nov	1578	1588	1613	1617	1625

Trade Recommendation:

SELL NCDEX November Soybean contract below 1610 with T1 at 1600, T2 at 1596. SL at 1615.

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

Markets	13.10.07	12.10.07	Change	Arrivals (Bags)			
Indore [P]	1560	1590	-30	2,50,000-3,00,000			
Indore [M]	1480-1520	NA	-				
Maharashtra [P]	1570-75	1570-75	Nil	1,50,000-2,00,000			
Maharashtra [M]	NA	NA	-				
Kota [P]	1570	1590	-20	25,000-30,000			
Kota [M]	1480-1540	NA	-				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1600.00	1603.00	1587.00	1587.00	1606.00	-19.00
NCDEX	Nov	1620.00	1624.00	1608.00	1613.00	1624.00	-11.00
NCDEX	Dec	1648.00	1653.50	1634.00	1642.50	1653.00	-10.50

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MUSTARD

Oct 15th, 2007

SPOT MARKETS:

At Jaipur, Alwar and Agra conditioned Mustard seed prices remained unchanged at Friday's level on normal demand against slightly improved arrivals while prices improved in Delhi on normal demand against lower arrivals. Non-conditioned seed prices improved on Saturday at Sri Ganganagar on normal demand against lower arrivals from Friday. Good demand from expellers / crushers reported in the market ahead of festival and marriage season besides the sowing demand. However, increased arrivals restricted the upside to some extent. Overall arrivals improved from 10,000-17,000 bags to 17,000-23,000 bags. Some further firmness is expected in prices ahead of festival and sowing demand. Firmness in domestic exchanges also lent support to the prices.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. **November** contract opened weak at Rs 459.60/20 Kg against previous close of Rs 460.85/20 Kg and tested a low of Rs 459.05/20 Kg initially. Contract then recovered thereafter on buying interest testing a high of Rs 464.80/20 Kg before it closed at Rs 463.75/20 Kg.

PRICE DRIVERS:

1. Centre hiked MSP of rapeseed/ mustard seed
2. NAFED to import more edible oils.
3. Sowing demand for mustard seed.
4. Festive & marriage season demand for edible oils.
5. Expectation of delayed sowing in Rajasthan

WEATHER: -

SW monsoon withdrawn from NW India may hinder sowing in Rajasthan.

TECHNICALS: -

Candlestick chart pattern shows firmness in market. MACD and EMA remains firm for the medium-term. Both Stochastic and RSI is rising in the oversold zone. So correction from these levels cannot be ruled out. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	460	462	463.75	470	472

Trade Recommendation:

BUY Nov above 465 with T1 at 468 and T2 at 469. SL at 463.5.

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

Markets	13.10.07	12.10.07	Change	Arrivals (Bags)
Jaipur (C)	2250	2240-50	Nil	15,000-20,000
Alwar(C)	2160-70	2160-70	Nil	1000-1500
Delhi(C)	2260-70	2250	+20	700-800
Agra(C)/Katchi Ghani	2350-2400	2350-2400	Nil	-
Sri Ganganagar (NC)	1915-20	1890-1900	+20	800-850
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	456.95	460.20	456.15	458.65	457.75	+0.90
NCDEX	Nov	459.60	464.80	459.05	463.75	460.85	+2.90
NCDEX	Dec	463.50	468.70	462.35	467.65	464.50	+3.15

■ GROUNDNUT

■ Oct 15th, 2007

SPOT MARKET: -

Amidst increased arrival pressure against subdued trading activity the prices of groundnut seed and oil eased during the Saturday's trade. The prices of groundnut seeds for different qualities declined from the Friday's level of Rs 410-495 per 20 Kg to Rs 410-490 per 20 Kg in different market in Gujarat. In Rajkot market groundnut oil quoted down from the Friday's level of Rs 691-692 per 10 Kg to Rs 673-674 per 10 Kg. Sources, revealed that many mills started operation, which pressurizing the prices. Further, good crop conditions and steadily increasing arrivals is also pressurizing the groundnut complex in major trading centers in near term. Meanwhile, Russia has lifted the ban on groundnut imports from India. However, the restriction has been lifted with the condition that the groundnut exported should carry the quality and safety certification of recognized agency, which restricting the upside and pressurized the prices. Also a Russian delegation piloted by leading sesame and groundnut seed importers is scheduled to visit India on Oct. 22nd for a week to visit the number of certifying labs and processing system in India for its possible future business dealings. It is also likely to study the handling and shipment processes of sesame and groundnut seed which further aided bearish tone in the market. However, the confirmation of arrival from Russian authority is yet awaited. Further, Kharif groundnut crop is in pegging stage in Karnataka, Maharashtra and A.P whereas pod/early maturity stage in Gujarat. Rainfed groundnut sowing is continues in Tamil Nadu. On Saturday, the prices of groundnut oil improved slightly on tracking firm sentiment in mustard oil.

The Solvent Extractors' Association of India has just compiled the data for export of oil meals for the month of September 2007 and reported at 7,500 tons compared to 5,000 tons compared to corresponding period last year. During April to September 2007, around 12,275 MT of groundnut meal was exported compare to 4,775 MT of groundnut meal in April-August 2007 period. No exports were witnessed for the month of July and August 2007.

Groundnut production this year is likely to increase by 10-15 per cent as the yield of crop is seen improving on the back of late monsoon rains in major groundnut growing areas coupled with increased acreage to 52.76 lakh hectares this year compared to last year's 46.69 lakh hectares. Total output of groundnut shell is likely to exceed benchmark of 50lt to around 53lt this year against the earlier industry estimate of 49lt. Groundnut Kernal output is also likely to shoot up to 38lt against earlier estimate of 34.30lt and last season's final output of 24.50lt. The marketable surplus is expected to shoot up this year to 13.80lt against last years 5.80lt. The total groundnut oil availability may go up to 5.52lt during the current year compared to 2.32lt last year. AP is likely to witness record output during the current season as the late monsoon is seen beneficial for the crop.

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