

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Nov. 1st, 2007

### SPOT MARKETS:

Soybean prices eased further on Wednesday amidst weakness in international market (CBOT) and weak sentiments in edible oil. Sources reported that demand remained subdued in the market in expectation of lower prices, which further added negative tone. Whereas arrival declined during Wednesday's as farmers holding back stocks in anticipation of price rise. Overall arrival declined from the Tuesday's level of 14 to 13 lakh bags. In near term prices movement of soybean would depend on CBOT futures, which consequently depends on crude oil. Internationally, with the fears of increase in export tax in Argentina, exporters locked 2007-08 soybean and meal export commitments in reference price and tax rate. Though 2007-08 soybean is under sowing. Exporters had declared soybean export commitments at 6.7 MMT, up from 2 MMT last year. Soymeal export totaled 7.3 mil tonnes, up 1.3 mil tonnes over last year.

### FUTURES MARKET: -

Soybean futures at NCDEX traded weak. December contract of soybean opened weak at Rs 1743.00/qrtl against the previous close of Rs 1750.50/qrtl and tested a high of Rs 1750.50/qrtl. Contract then traded down on increased selling pressure testing a low of Rs 1730.50/qrtl before it closed at Rs 1735.00/qrtl.

### PRICE DRIVERS:

1. Market increased arrivals of beans.
2. Good physical demand from millers/crushers and stockists
3. Firm soymeal sentiments at ports.
4. Harvest picking up in MP and Maharashtra
5. Expectation of higher soymeal exports in 2007-08
6. Weak global advice

### WEATHER:

SW monsoon is withdrawn from NW India, favours harvesting.

### TECHNICALS: -

Candlestick chart pattern shows indecisive market. Closing prices is above the 18 days EMA which favours bulls. MACD remain in the positive territory. Stochastic has made bearish crossover in overbought zone while RSI is deep in the neutral zone. Market is expected to trade range bound with firm bias with possibility of late downward movement.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Dec	1730	1734	1735	1761	1765

### Trade Recommendation:

**BUY** NCDEX Dec. Soybean contract above 1740 with T1 at 1750, T2 at 1754. SL at 1735.

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

Markets	31.10.07	30.10.07	Change	Arrivals (Bags)			
Indore [P]	1680	1670-1700	-20	6,25,000-6,50,000			
Indore [M]	1620-1630	1640-1650	-20				
Maharashtra [P]	1690-1710	1700-1730	-20	4,00,000-4,25,000			
Maharashtra [M]	1610-1670	1640-1680	-10				
Kota [P]	1660-1680	1680-1700	-20	2,00,000-2,25,000			
Kota [M]	1590-1610	1600-1630	-20				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	1716.50	1726.00	1710.00	1715.00	1724.00	-9.00
NCDEX	Dec	1743.00	1750.50	1730.50	1735.00	1750.50	-15.50
NCDEX	Jan	1766.50	1770.00	1747.00	1758.00	1773.50	-15.50

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## MUSTARD

Nov. 1st, 2007

### SPOT MARKETS:

Mustard seed prices eased further across the cash markets on improved arrivals as stockists offloaded their inventories at better available prices. At Jaipur, Delhi and Alwar mustard seed condition prices declined by Rs 25/qrtl each while prices went up by Rs 25 in Agra markets on good demand and lower arrival. Non-condition seed prices in Sri Ganganagar declined by Rs 40/qrtl. Overall arrival improved from Tuesday's level of 13000-13500 to 16000-17000 bags. Weakness in other seeds and oils also added negative tone. Meanwhile, the Rajasthan state govt. has reduced the acreage of mustard to 27 lakh ha compared to 31 lakh ha last year as farmers are shifting from mustard to barley cultivation due to more lucrative prices despite of hike in MSP in Mustard. Scanty monsoon rainfall also attributed to lower acreage in major mustard growing regions like Alwar, Bharatpur, Karauli and Dausa due lack of proper soil moisture, which may boost the prices in coming days.

### FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. December contract opened weak at Rs 480.10/20 Kg against previous close of Rs 481.15/20 Kg and tested a low of Rs 479.50/20 Kg. Contract then traded up on increased buying interest testing a high of Rs 485.70/20 Kg before it closed at Rs 483.45/20 Kg.

### PRICE DRIVERS:

1. Weakness in domestic exchanges; soybean & oils
2. Centre hiked MSP of rapeseed/ mustard seed
3. NAFED to sell 2lt of mustard seed.
4. Sowing demand for mustard seed; lower arrivals
5. Rajasthan govt. reduced Mustard acreage to 27lha
6. Expectation of lower acreage this year
7. Lower stock with NAFED & in physical markets.

### WEATHER: -

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

### TECHNICALS: -

Candlestick chart pattern shows firmness in prices. MACD and EMA remains firm for the medium-term. MACD is flat in positive territory. Overall the trend remains up. Stochastic has made bearish crossover in overbought zone while RSI is heading up near overbought zone. Market is expected to trade range bound with firm bias following steady to slightly weak opening.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Dec	480	481	483.45	487	488

### Trade Recommendation:

**BUY** Dec above 483 with T1 at 485 and T2 at 486. SL at 482.

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

Markets	31.10.07	30.10.07	Change	Arrivals (Bags)
Jaipur (C)	2335	2360	-25	12000
Alwar(C)	2225	2250	-25	2000
Delhi(C)	2300	2325	-25	2000
Agra(C)/Katchi Ghani	2525/5300	2500	+25	-
Sri Ganganagar (NC)	1950-60	2000	-40	800-1000
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	476.10	480.80	475.20	478.10	476.65	+1.45
NCDEX	Dec	480.10	485.70	479.50	483.45	481.15	+2.30
NCDEX	Jan	482.00	486.60	481.00	484.00	482.25	+1.75

## ■ GROUNDNUT

■ Nov. 1st, 2007

**SPOT MARKET: -**

Amidst improved arrivals in the market coupled with weakness in other edible oils and seeds, the prices of groundnut seed and oil eased during the Wednesday's trade. The prices of groundnut seeds for different qualities declined from the Tuesday's level of Rs 410-491/20 Kg to Rs 410-488/20 Kg in different market of Gujarat. In Rajkot market groundnut oil also declined from Rs 637-638/10 Kg to Rs 632-633/10 Kg. Sources revealed that most of the mills start crushing and some are likely to start soon, which may pressurize the prices. Reportedly good demand and expectation of export opportunity, however, is seen limiting the down side. Millers in Saurashtra are eyeing for export opportunities of groundnut complex on the back of lower crop / crop failure in America, Brazil and China this year despite of bumper production this year in the country. Since last couple of years, groundnut oil was not exported due to good production in America, Brazil, China and Senegal.

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. 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 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 witnessed record output during the current season as the late monsoon is seen beneficial for the crop.

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