

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 26th, 2007

SPOT MARKETS:

Soybean prices ruled firm across the major cash markets despite of huge arrival pressure of fresh beans and weak global cues on reportedly good demand from millers / crushers following continuing demand for soymeal in export market at US \$355 - 360/ MT FAS. Also attractive parities have led to active participation of millers / crushers, with stockists also jumping in the fray, which led to good demand at higher levels also. Overall arrival reported at over 14 lakh bags on Thursday. Internationally, US soybean harvest is completed around 75 per cent and weather looks favourable for advancing harvest in major growing regions. Also sowing has gain momentum in Brazil on the back of improving weather condition. Both the advancing US harvest and improving weather in Brazil may pressurize the soybean futures at CBOT and may restrict the upside in domestic soybean prices to some extent.

FUTURES MARKET: -

Soybean futures at NCDEX traded range bound with firm bias. November contract of soybean opened weak at Rs 1686.00/ctl against the previous close of Rs 1690.50/ctl and tested a low of Rs 1685.00/ctl. Contract then traded up on buying interest testing a high of Rs 1697.50/ctl before it closed at Rs 1691.00/ctl on profit taking at higher level.

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

WEATHER:

SW monsoon is withdrawn from NW India, favours harvesting.

TECHNICALS: -

Candlestick chart pattern shows indecisive market. MACD and EMA remains firm for the medium-term. MACD is rising in the positive zone favouring bulls. Stochastic has made a bullish crossover in neutral region, while RSI is heading upward near the overbought zone. Market is expected to trade range bound with firm bias with possibility of late downward movement on profit taking.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	1665	1676	1691	1707	1715

Trade Recommendation:

BUY NCDEX November Soybean contract above 1684 with T1 at 1694, T2 at 1699. SL at 1679.

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

Markets	25.10.07	24.10.07	Change	Arrivals (Bags)			
Indore [P]	1630-1650	1630-1650	Nil	7,00,000-7,25,000			
Indore [M]	1580-1600	1580-1600	Nil				
Maharashtra [P]	1660-1670	1650	+20	4,00,000-4,25,000			
Maharashtra [M]	1620-30	1610-1620	+10				
Kota [P]	1660-1670	1650-60	+10	2,00,000-2,50,000			
Kota [M]	1600-1620	NA	-				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	1686.00	1697.50	1685.00	1691.00	1690.50	+0.50
NCDEX	Dec	1730.00	1736.50	1719.00	1723.00	1729.50	-6.50
NCDEX	Jan	1756.50	1758.00	1739.00	1742.00	1752.00	-10.00

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MUSTARD

Oct 26th, 2007

SPOT MARKETS:

Amidst expectation of lower acreage / production, the prices of Mustard seed condition shot up during the Thursday's trade. The prices of mustard seed condition went up by Rs 10-60 across the major cash markets. Lower arrival on Thursday also aided firmness. Prices also got support from firmness in soybean. Non-condition seed prices also went up by Rs 5 in Sir Ganganagar. Good demand from millers and expellers reported in the market ahead of festivals. Overall arrivals declined from the Wednesday's level of 18,000-23,000 bags to 12,500-18,000 bgas. Further, lower stock position with NAFED and stockists is also seen supporting the sentiment. Meanwhile, sources reported that NAFED started selling mustard seed to local crushers, which is seen limiting upside.

FUTURES MARKET: -

NCDEX Mustard seed futures traded range bound with firm bias. November contract opened firm at Rs 467.90/20 Kg against previous close of Rs 467.20/20 Kg and tested a low of Rs 467.40/20 Kg. Contract then traded up on buying interest testing a high of Rs 469.95/20 Kg before it closed at Rs 468.20/20 Kg on profit taking.

PRICE DRIVERS:

1. Centre hiked MSP of rapeseed/ mustard seed
2. NAFED to sell 2lt of mustard seed.
3. Sowing demand for mustard seed; lower arrivals
4. Festive & marriage season demand for edible oils.
5. Expectation of lower acreage this year
6. Lower stock with NAFED & in physical markets.

WEATHER: -

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

TECHNICALS: -

Candlestick chart pattern shows indecisive market. Closing prices is above the short-term EMAs indicating firmness in prices. MACD is moving flat in positive territory. Both Stochastic and RSI is moving flat in neutral region. Market is expected to trade range bound with firm bias following a steady to slightly weak opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	463	465	466.9	471	472

Trade Recommendation:

BUY Nov above 467 with T1 at 469 and T2 at 470. SL at 466.

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

Markets	25.10.07	24.10.07	Change	Arrivals (Bags)
Jaipur (C)	2295	2280-85	+10	10000-15000
Alwar(C)	2235-40	2170-80	+60	1000-1500
Delhi(C)	2260-70	2270	Nil	800
Agra(C)/Katchi Ghani	2475	2450	+25	-
Sri Ganganagar (NC)	1935	1925-30	+5	700-800
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	467.90	469.95	467.40	468.20	467.20	+1.00
NCDEX	Dec	473.00	475.30	472.60	474.20	472.30	+1.90
NCDEX	Jan	474.80	477.00	474.35	476.10	473.75	+2.35

■ GROUNDNUT

■ Oct 26th, 2007

SPOT MARKET: -

Amidst normal-demand supply situation across the cash markets, the prices of groundnut seed and oil stood steady during the Thursday's trade. The prices of groundnut seeds for different qualities stood at Rs 410-466 per 20 Kg in different market of Gujarat. In Rajkot market groundnut oil stood steady at Rs 611-612/10 Kg. Expectation of export opportunity is also seen supporting the sentiment. 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. Marginally, lower arrival during Thursday also lent support to the prices. However, sources revealed that most of the mills start crushing and some are likely to start soon, which may pressurize the prices.

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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