

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 9th, 2007

SPOT MARKETS:

Amidst significant increase in arrivals against mild physical demand the prices of soybean declined across the markets. Weakness in prices of soymeal at ports following weakness in international market (CBOT) imparted bearish tone. Overall arrivals increased from the Saturday's level of 4,00,000-4,20,000 bags to 6,00,000 to 7,00,000 bags on Monday, which pressurized the prices. Further, the fresh beans are fetching at a discount due to higher moisture content (13-20 per cent) aided to the weakness. Expectation of prices softening in coming days due to arrival pressure, kept the traders and stockists are on the sidelines. Internationally, output in china is expected to be 14.4 MMT in 2007, unchanged from its forecast a month earlier. Meanwhile, acreage in Argentina is expected to increase by 5 per cent in 2007-08 due to favourable price incentives to farmers.

FUTURES MARKET: -

Soybean futures at NCDEX traded weak. November contract of soybean futures opened weak at Rs 1583.00/qty against the previous close of Rs 1603.50/qty and traded up initially testing a high of Rs 1599.00/qty. Contract tumbled thereafter on increased selling pressure testing a low of Rs 1576.00/qty before it closed at Rs 1578.50/qty

PRICE DRIVERS:

1. Marked increase in arrivals of beans.
2. Weak soymeal sentiments.
3. Soybean harvest in US & India.
4. World soybean output to decline.
5. Harvest picking up in MP and Maharashtra

WEATHER:

SW monsoon is withdrawn from NW India, favourable for harvesting.

TECHNICALS: -

Candlestick chart pattern shows weakness in market. MACD and EMA remain weak for the medium-term. Stochastic is moving up while RSI heading down in the neutral region. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX -Nov	1533	1545	1578 .5	1585	1594

Trade Recommendation:

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

Markets	08.10.07	06.10.07	Change	Arrivals (Bags)
Indore [P]	1540-50	1580	-30	5,00,000- 5,50,000
Indore [M]	1420-40	1440-50	-10	
Maharashtra [P]	1530-40	1550-60	-20	1,50,000- 1,75,000
Maharashtra [M]	1430	1440	-10	
Kota [P]	1540	1570	-30	25,000-30,000
Kota [M]	1450-60	1480	-20	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1568.50	1582.00	1559.50	1563.00	1590.00	-27
NCDEX	Nov	1583.00	1599.00	1576.00	1578.50	1603.50	-25
NCDEX	Dec	1612.00	1623.00	1605.00	1608.00	1630.00	-22



■ MUSTARD

■ Oct 9th, 2007

SPOT MARKETS:

Amidst subdued demand against slightly improved arrivals the prices of condition Mustard seed declined from the Saturday's level at Jaipur, Delhi and Agra markets. While prices recovered marginally at Alwar on some sowing demand from farmers. At Sri Ganganagar, non-conditioned Mustard seed prices improved further on good demand from some expellers ahead of festival due to cheaper prices. Overall arrival during Monday reported at 10,000-17,000 bags against 10,000-15,000 bags on Saturday, which pressurised the prices. Further, expectation of delayed sowing in Rajasthan further restricted the downside. It is noted that Mustard growing areas in Rajasthan requires on more spell of rains before sowing. Meanwhile, upcoming festival and sowing demand is likely to support the prices in near term.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. **November** contract opened weak at Rs 445.25/20 Kg against previous closing level of Rs 446.50/20 Kg and tested a low of Rs 443.30/20 Kg. Contract then recovered on renewed buying interest testing a high of Rs 448.10/20 Kg before it closed at Rs 447.30/20 Kg.

PRICE DRIVERS:

1. NAFED to import more edible oils.
2. Improved arrivals on Friday.
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 process in Rajasthan.

TECHNICALS: -

Candlestick chart pattern shows firmness in prices. Prices closed above the short-term EMAs indicating firmness in prices. MACD is moving flat in the positive territory. Stochastic is moving up following bullish crossover and RSI is rising in the neutral region. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	443	444	447.3	453	454

Trade Recommendation:

BUY Nov above 448 with T1 at 451 and T2 - 452. SL at 446.5.

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

Markets	08.10.07	06.10.07	Change	Arrivals (Bags)
Jaipur (C)	2100-2120	2170	-50	10,000-15,000
Alwar(C)	2100	2090-95	+5	700-800
Delhi(C)	2170	2180	-10	600-700
Agra(C)/Katchi Ghani	2290	2310	-20	-
Sri Ganganagar (NC)	1850-55	1825	+30	600-700
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	443.50	445.80	443.00	445.85	444.80	+1.05
NCDEX	Nov	445.25	448.10	443.30	447.30	446.50	+0.80
NCDEX	Dec	447.20	449.20	445.50	448.65	448.00	+0.65

■ GROUNDNUT

■ Oct 9th, 2007

SPOT MARKET: -

Good crop conditions and steadily increasing arrivals pressurized the groundnut complex in major trading centers against a subdued demand. The prices of groundnut seeds for different qualities traded between Rs 410-509 per 20kg in different market in Gujarat against Rs. Rs. 410-518 per 20 kg on Saturday. In Rajkot market groundnut oil quoted steady to slightly weak at Rs. 738 per 10 kg. 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 in prices. 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.

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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