

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Oct 8th, 2007

### SPOT MARKETS:

Spot prices of soybean in MP and Maharashtra declined on Saturday amidst fresh arrival pressure against mild demand. Sources revealed that poor offtake of soybeans is due to the higher moisture in fresh bean, which is fetching in discount. In the expectation of prices of calm down in coming days due to arrival pressure, kept the traders aside. However, in Kota prices recovered on lower arrival and some demand. Overall arrivals on Saturday stood steady at previous level of 4,00,000 - 4,20,000 bags. Prices are expected to trade range bound in coming days as harvest yet to pick up pace in major soybeans producing regions. Meanwhile, govt. estimated the total oilseeds acreage at 176.05 lakh ha against 164.72 lakh ha on Oct. 4<sup>th</sup> last year. Soybean has been sown in 8% higher area compared to corresponding period last year, which further aided weakness in the market. Weakness in international markets further contributed to the weak sentiment.

### FUTURES MARKET: -

Soybean futures at NCDEX traded firm. October contract of soybean futures opened weak at Rs 1584.50/ctl against the previous close of Rs 1593.50/ctl and tested a low of Rs 1582/ctl in early hours. However, prices recovered in the later session to test a high of Rs 1595/ctl before it closed at Rs 1590/ctl.

### PRICE DRIVERS:

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

### WEATHER:

IMD predicted for the withdrawal of Monsoon rains over NW India.

### TECHNICALS: -

Candlestick chart pattern shows firmness in market. MACD and EMA remain weak for the medium-term. Stochastic has made a bullish crossover in neutral region while RSI is moving flat in the neutral region. Market is expected to trade range bound with firm bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX -Oct	1572	1581	1592	1621	1631

### Trade Recommendation:

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

Markets	06.10.07	05.10.07	Change	Arrivals (Bags)
Indore [P]	1580	1580-90	-10	2,00,000- 2,50,000
Indore [M]	1530	1440-1540	-10	
Maharashtra [P]	1550-60	1570-90	-30	1,50,000
Maharashtra [M]	1440	1450	-10	
Kota [P]	1570	1560	+10	20,000-22,000
Kota [M]	1480	1450	+30	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1593.5	1602.0	1584.5	1593.0	1590.5	+2.5
NCDEX	Nov	1608.0	1620.0	1599.5	1609.5	1605.0	+4.5
NCDEX	Dec	1635.0	1648.0	1624.0	1637.0	1629.0	+8.0

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## MUSTARD

Oct 8th, 2007

### SPOT MARKETS:

Mustard seed witnessed firm sentiment during the Saturday's trade. At Jaipur, Delhi, Alwar prices of condition mustard seed recovered on good demand from expellers ahead of festivals (Dushera and Diwali) against lower arrivals, while remained unchanged at Agra on subdued trading activity. Non-condition seeds in Sri Ganganagar recovered on some demand due to cheaper prices. Overall arrival declined from the Friday's level of 15000-20000 bags to 10000-12000 bags, which aided firmness in the market. Sowing demand from farmers further supported the sentiment. Firmness in domestic exchanges also aided to the bullish tone. However, some weakness is expected in near term due to weak sentiment in other Oils.

### FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. **October** contract opened weak at Rs 441.05/ 20 Kg against previous closing level of Rs 441.75/ 20 Kg and tested a low of Rs 440.00/ 20 Kg. Contract then recovered on renewed buying interest testing a high of Rs 445.45/20 Kg before it closed at Rs 445.00/20 Kg.

### PRICE DRIVERS:

1. NAFED to import more edible oils.
2. Lower arrivals on Friday.
3. Sowing demand for mustard seed.
4. Festive and marriage season demand for edible oils.

### WEATHER: -

As per IMD, predicted for the withdrawal of monsoon rains over NW India.

### TECHNICALS: -

Candlestick chart pattern shows firmness in prices. MACD and EMA remain weak for the medium term. Stochastic is moving down while RSI is heading up in the neutral region. Market is expected to trade up with possibility of slight late downward movement.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct	441	443	445	455	457

### Trade Recommendation:

**BUY** Oct futures below 446 with T1 at 450 and T2 - 452. SL at 444.

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

Markets	06.10.07	05.10.07	Change	Arrivals (Bags)
Jaipur (C)	2170	2155	+15	10,000
Alwar(C)	2090-95	2070-80	+15	700-800
Delhi(C)	2180	2170	+10	500-600
Agra(C)/Katchi Ghani	2310	2310	0	-
Sri Ganganagar (NC)	1825	1800	+25	400-500
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	441.05	445.45	440.00	445.00	441.75	+3.25
NCDEX	Nov	445.00	449.90	444.00	446.80	445.75	+1.05
NCDEX	Dec	447.50	451.50	447.00	447.75	448.00	-0.25



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## ■ GROUNDNUT

■ Oct 8th, 2007

COMMODITIES RESEARCH

### SPOT MARKET: -

Amidst expectation of exports of groundnut seed to Russia despite good crop conditions pulled the groundnut complex in major trading centers. The prices of groundnut seeds for different qualities traded between Rs 410-518 per 20kg in different market in Gujarat against Rs. Rs. 410-515 per 20 kg yesterday. In Rajkot market groundnut oil quoted steady to slightly weak at Rs. 752 - 755 per 10 kg. Meanwhile, Russia has lifted the ban on groundnut imports from India, which further supported the sentiment. However, the restriction has been lifted with the condition that the groundnut exported should carry the quality and safety certification of recognized agency. Further, Kharif groundnut crop is in pegging stage in Karnataka, Maharashtra, AP where as 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 witness record output during the current season as the late monsoon is seen beneficial for the crop.

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