

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 19th, 2007

SPOT MARKETS:

Amidst lower arrivals and good physical demand the prices of soybean firmed up during the Thursday's trade across the cash market. Lower arrival on Thursday mainly boosted the sentiment. Overall arrivals declined from the Wednesday's level of 11.5-12.5 lakh bags to 10-10.5 lakh bags. Further, good demand from millers / crushers are reported in the market for building stocks for 15-30 days to continue crushing, which further supported the sentiment. Firm undertone in edible oils ahead of festival is also seen supporting the beans prices. Meanwhile, soybean acreage in Argentina is believed to be up 2.2% compared to last year at 16.5 mil ha in the current year and below the earlier estimate of 16.8 mil ha. On other hand, weather is improving in Brazil which is favourable for soybean sowing their.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean futures opened weak at Rs 1639.00/ctl against the previous close of Rs 1639.50/ctl. Contract then traded up on increased buying interest testing a high of Rs 1668.00/ctl before it closed at Rs 1663.00/ctl.

PRICE DRIVERS:

1. Weakness on CBOT
2. Improved arrivals of beans.
3. Good physical demand from millers/crushers
4. Steady to firm soymeal sentiments.
5. Harvest picking up in MP and Maharashtra

WEATHER:

SW monsoon is withdrawn from NW India, favours harvesting.

TECHNICALS: -

Candlestick chart pattern shows firmness in prices. MACD and EMA remains firm for the medium term. Stochastic entered into the overbought region, so a correction from these levels cannot be ruled out. RSI is heading upward in the neutral region. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	1643	1652	1663	1680	1685

Trade Recommendation:

BUY NCDEX November Soybean contract above 1665 with T1 at 1673, T2 at 1675. SL at 1661.

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

Markets	18.10.07	17.10.07	Change	Arrivals (Bags)			
Indore [P]	1600-1620	1600-1610	+10	5,00,000			
Indore [M]	1500-1560	1490-1550	+10				
Maharashtra [P]	1620-1625	1600-1620	+5	4,00,000			
Maharashtra [M]	1500-1560	1480-1550	+10				
Kota [P]	1590-1620	1600-1610	+10	1,50,000			
Kota [M]	1520-1570	1520-1565	+5				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1620.50	1643.50	1618.00	1639.00	1620.50	+18.50
NCDEX	Nov	1639.00	1668.00	1639.00	1663.00	1639.50	+23.50
NCDEX	Dec	1680.00	1708.50	1678.00	1707.50	1677.00	+30.50



■ MUSTARD

■ Oct 19th, 2007

SPOT MARKETS:

Conditioned Mustard seed prices at Jaipur and Alwar eased during the Thursday's trade on increased arrivals, while stood steady at Agra on routine demand supply situation. At Delhi prices further improved from the Wednesday's level on good demand against steady arrivals their. Non-conditioned seed prices at Sri Ganganagar, also stood steady at Wednesday's level on mild demand against steady arrivals. Overall arrivals improved from the Wednesday's level of 16,000-17,500 to 18,000-23,000 bags as stockists offloaded their stock at higher prices. However, good demand from expellers reported in the market, which restricted the downside besides the festive and sowing demand. Demand from UP and NE parts also seen supporting the sentiment. Sources revealed that farmers with irrigation facility may shift from mustard to wheat cultivation as MSP of mustard only increased by 4.96% while wheat MSP increased by 33.33%, which is attracting the farmers and adversely affect the acreage.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. November contract opened firm at Rs 467.00/20 Kg against previous close of Rs 466.20/20 Kg and tested a low of Rs 465.20/20 Kg. Contract then recovered on increased buying interest testing high of Rs 469.25/20 Kg before it closed at Rs 468.90/20 Kg.

PRICE DRIVERS:

1. Centre hiked MSP of rapeseed/ mustard seed
2. NAFED to import more edible oils.
3. Marked higher arrivals
4. Sowing demand for mustard seed.
5. Festive & marriage season demand for edible oils.
6. Expectation of lower acreage this year

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. Stochastic is moving down while RSI is heading upward in the overbought region. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	465	467	468.9	474	475

Trade Recommendation:

BUY Nov above 469 with T1 at 472 and T2 at 473. SL at 467.5.

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

Markets	18.10.07	17.10.07	Change	Arrivals (Bags)
Jaipur (C)	2260-65	2270-75	-10	15,000-20,000
Alwar(C)	2170	2170-80	-10	1500-1600
Delhi(C)	2390-2400	2380	+20	700
Agra(C)/Katchi Ghani	2450	2450	Nil	-
Sri Ganganagar (NC)	1930-35	1930-35	Nil	700
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	461.00	464.50	461.00	464.00	462.95	+1.05
NCDEX	Nov	467.00	469.25	465.20	468.90	466.20	+2.70
NCDEX	Dec	472.00	473.50	469.25	473.25	470.60	+2.65

■ GROUNDNUT

■ Oct 19th, 2007

SPOT MARKET: -

Amidst good physical demand ahead of festival against restricted arrivals, the prices of groundnut seed and oil improved during the Thursday's trade. The prices of groundnut seeds for different qualities improved from the Wednesday's level of Rs 410-457 per 20 Kg to Rs 410-466 per 20 Kg in different market of Gujarat. In Rajkot market groundnut oil quoted up from the Wednesday's level of Rs 614-615 per 10 Kg to Rs 621-622 per 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.

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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.