

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Oct 16th, 2007

### SPOT MARKETS:

Amidst good physical demand across the markets, prices of soybean improved during the Monday's trade despite huge arrivals. Good demand from millers / crushers reported in the market at prevailing prices to fulfill their stocks to continue crushing ahead of festivals, which boosted the sentiment. Also talks in the market that govt. may hike the base import prices of edible oil further imparted bullishness in the market. However, the govt. keeps base import prices unchanged. Further, steady to firm sentiment of soymeal at ports on expectation of higher soymeal exports and firmness in edible oil also lent support to soybean prices. Overall arrivals increased significantly from the Saturday's level of 5,50,000 bags to around 10,00,000-11,00,000 bags on Monday. Internationally, soybean acreage in Argentina is expected to increase by 4.3 per cent over the last year to 16.8 mln ha this season due to favourable incentives to farmers.

### FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean futures opened weak at Rs 1612.00/qrtl against the previous close of Rs 1616.50/qrtl and traded down initially testing a low of Rs 1600.00/qrtl. However, prices recovered thereafter on renewed buying interest testing a low of Rs 1650.00/qrtl before it closed at 1637.50/qrtl.

### 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SW monsoon is withdrawn from NW India, favours harvesting.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. Prices closed well above the short-term EMA's which favour bulls. MACD is moving upward in the positive territory. Stochastic is flat while RSI is heading upward in the neutral region. 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	1614	1624	1637.5	1665	1675

### Trade Recommendation:

**BUY** NCDEX November Soybean contract above 1639 with T1 at 1650, T2 at 1655. SL at 1633.5.

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

Markets	15.10.07	13.10.07	Change	Arrivals (Bags)			
Indore [P]	1560-70	1560	+10	4,50,000-5,00,000			
Indore [M]	1460-1530	1480-1520	+10				
Maharashtra [P]	1570-85	1570-75	+10				
Maharashtra [M]	1450-1510	NA	-	1,00,000-1,20,000			
Kota [P]	1560-80	1570	+10				
Kota [M]	1480-1550	1480-1540	+10				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1585.00	1620.00	1576.00	1614.00	1593.00	+21
NCDEX	Nov	1612.00	1650.00	1600.00	1637.50	1616.50	+21
NCDEX	Dec	1640.50	1685.00	1630.00	1673.50	1644.50	+29



## ■ MUSTARD

■ Oct 16th, 2007

### SPOT MARKETS:

Amidst good physical demand and lower arrivals, the prices of mustard seed improved during the Monday's trade. At Jaipur, Alwar, Delhi and Agra markets conditioned Mustard seed prices went up by Rs 10-50. Non-conditioned seed prices at Sriganaganagar, also improved on demand from expellers against lower arrivals. Overall arrivals declined from the Saturday's level of 17,000-23,000 bags to 17,000-22,000 bags which supported the sentiment to some extent. Good demand from millers / crushers reported in the market ahead of festivals besides the sowing demand. Further, sowing is picking up pace in UP, Haryana and Punjab, while the sowing is likely to start soon in Rajasthan, sources reported. Firmness in other seeds particularly soybean also lent support to mustard prices besides the firm sentiment of mustard seed in domestic exchanges.

### FUTURES MARKET: -

**NCDEX** Mustard seed futures traded firm. **November** contract opened firm at Rs 464.95/20 Kg against previous close of Rs 464.05/20 Kg and tested a low of Rs 464.80/20 Kg initially. Contract then recovered thereafter on buying interest testing a high of Rs 469.80/20 Kg before it closed at Rs 468.25/20 Kg.

### PRICE DRIVERS:

1. Centre hiked MSP of rapeseed/ mustard seed
2. NAFED to import more edible oils.
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 in Rajasthan.

### TECHNICALS: -

Candlestick chart pattern shows firmness in market. MACD and EMA remains firm for the medium-term. Both Stochastic and RSI is rising in the overbought zone. So correction from these levels cannot be ruled out. Market is expected to trade range bound with firm bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	465	467	468.25	473	474

### Trade Recommendation:

**BUY** Nov above 469 with T1 at 471 and T2 at 472. SL at 468.

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

Markets	15.10.07	13.10.07	Change	Arrivals (Bags)
Jaipur (C)	2260-70	2250	+20	15,000-20,000
Alwar(C)	2170-80	2160-70	+10	800-900
Delhi(C)	2290	2260-70	+20	700-800
Agra(C)/Katchi Ghani	2440-2450	2350-2400	+50	-
Sri Ganganagar (NC)	1920-25	1915-20	+5	700-800
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	460.10	461.40	459.00	458.05	459.50	-1.45
NCDEX	Nov	464.95	469.80	464.80	468.25	464.05	+4.20
NCDEX	Dec	469.40	474.20	468.30	473.40	467.95	+5.45

## ■ GROUNDNUT

■ Oct 16th, 2007

**SPOT MARKET: -**

Amidst increased arrival pressure against normal trading activity the prices of groundnut seed and oil eased during the Monday's trade. The prices of groundnut seeds for different qualities declined from the Saturday's level of Rs 410-490 per 20 Kg to Rs 410-478 per 20 Kg in different market of Gujarat. In Rajkot market groundnut oil quoted down from the Saturday's level of Rs 673-674 per 10 Kg to 638-639 per 10 Kg. Peak arrivals of groundnut are pressurizing the prices despite festive season. Groundnut hub, Saurashtra is witnessing arrivals of around 1,00,000 bags (1 bag = 35 Kg) of groundnut on daily basis. Also sources revealed that many mills started operation, which pressurizing 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 and pressurized the prices. 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.

On other hand, 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.

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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