

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 29th, 2007

SPOT MARKETS:

Soybean prices improved further across the cash market on good physical demand despite of huge arrival pressures of Kharif harvest. However, sources reported that the supplies are insufficient to fulfill the requirement, which is recorded over 14 lakh bags. Further, supportive overseas market (CBOT), continuing demand for soymeal in domestic market at US \$ 363-365/ MT and soaring edible oil prices also lent support to the seeds prices on Saturday. Good demand from millers, crushers and stockists reported in the market. Meanwhile, in Argentina, so far 4.5% soybean sowing is done of the estimated 16.8 mil ha. Good soil moistures are further favourable for widespread sowing. This year soybean acreage is expected to up by 4.3 per cent from the record 16.1 mil ha planted in 2006-07.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean opened firm with a small gap up at Rs 1716.00/ctl against the previous close of Rs 1712.50/ctl and tested a low of Rs 1704.50/ctl. Contract then traded up on increased buying interest testing a high of Rs 1729.00/ctl before it closed at Rs 1728.50/ctl.

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
6. Firm global advice

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SW monsoon is withdrawn from NW India, favours harvesting.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. Both Stochastic and RSI is moving upward in overbought zone. Overall the trend remains up. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	1697	1707	1728.5	1750	1758

Trade Recommendation:

BUY NCDEX November Soybean contract above 1729 with T1 at 1737, T2 at 1740. SL at 1725.

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

Markets	27.10.07	26.10.07	Change	Arrivals (Bags)			
Indore [P]	1680-1700	1670	+30	7,25,000-7,50,000			
Indore [M]	1650	1590-1620	+30				
Maharashtra [P]	1720-30	1700	+30	4,25,000-4,50,000			
Maharashtra [M]	1660-1670	1650	+20				
Kota [P]	1690-1700	1680-1690	+10	2,00,000-2,50,000			
Kota [M]	1630-1640	1600-1630	+10				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	1716.00	1729.00	1704.50	1728.50	1712.50	+16.00
NCDEX	Dec	1746.00	1761.00	1736.00	1759.00	1743.50	+15.50
NCDEX	Jan	1758.50	1780.00	1758.00	1777.00	1764.00	+13.00



■ MUSTARD

■ Oct 29th, 2007

SPOT MARKETS:

Mustard seed prices shot up across the major cash markets on good physical demand ahead of festivities against lower arrivals. Reportedly, expectation of lower production this Rabi season further added to bullishness. At Jaipur, Alwar, Delhi mustard seed condition prices went by Rs 20-60/qlt compared to Friday's. Prices remained unchanged at Agra markets on routine demand-supply situation. Non-condition seed prices at Sri Ganganagar further went up by Rs 30/qlt. Reportedly, farmers are shifting from mustard to other lucrative crop like barley, wheat and pulses and consequently, a lower mustard seed output is expected this year, which is boosting the mustard prices. During 1-25 October, sowing of rapeseed/mustard seed is estimated at 891,000 hectares down from 1.25 million hectares corresponding period last year. Besides, lower stock position with NAFED / stockists and expectation of lower carry forward stock is also seen driving the market. Overall arrival declined from Friday's level of 12,600-18,000 to 12000-12500 bags.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. November contract opened firm at Rs 472.50/20 Kg against previous close of Rs 471.75/20 Kg and tested a low of Rs 471.45/20 Kg. Contract then traded up on increased buying interest testing a high of Rs 482.10/20 Kg before it closed at Rs 481.80/20 Kg.

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: -

A long hollow like candlestick is formed indicating firmness. MACD and EMA remains firm for the medium-term. MACD is rising steadily in positive territory. Stochastic is rising in neutral region while RSI is rising in overbought zone. Overall trend remain up. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	478	480	481.8	487	488

Trade Recommendation:

BUY Nov above 482 with T1 at 484 and T2 at 485. SL at 481.

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

Markets	27.10.07	26.10.07	Change	Arrivals (Bags)
Jaipur (C)	2350	2310	+40	10000
Alwar(C)	2250-70	2250	+20	800-1000
Delhi(C)	2340	2260-80	+60	300-400
Agra(C)/Katchi Ghani	2475-2500	2475-2500	Nil	-
Sri Ganganagar (NC)	1970-2000	1965-70	+30	1000
Kota (NC)	-	-		-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	472.50	482.10	471.45	481.80	471.75	+10.05
NCDEX	Dec	478.00	488.50	476.75	488.40	477.35	+11.05
NCDEX	Jan	480.00	491.65	479.25	491.25	479.85	+11.40

■ GROUNDNUT

■ Oct 29th, 2007

SPOT MARKET: -

Amidst improved demand ahead of festivals and restricted arrivals in the market coupled with firmness in other edible oil, the prices of groundnut seed and oil shot up during the Saturday's trade. The prices of groundnut seeds for different qualities improved from the Friday's level of Rs 410-475/20 Kg to Rs 410-478/20 Kg in different market of Gujarat. In Rajkot market groundnut oil also improved from Rs 622-623/10 Kg to Rs 626-627/10 Kg. Reportedly good demand and lower arrival across the markets aided firmness in the market. 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. 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 is 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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