

## ■ SOYABEAN

■ Oct 5th, 2007

**SPOT MARKETS:**

Soybean prices improved across the markets on good physical demand despite of slightly improved arrivals, while spot prices eased in Kota on poor offtake. Firm sentiments for soymeal across the markets further supported the sentiment besides firm international market. Overall arrivals on Thursday increased from the Wednesday's level of 3,90,000 - 4,00,000 bags to around 4,00,000 - 4,20,000 bags. Meanwhile, the soybean exports from Brazil fallen to 1.8 MMT in September'07 compared to 2.7 MMT in August'07. It also remains below 1.9MMT in corresponding period last year on weak export demand, higher prices and competition from Argentina and USA. Further, soybean output during the current season is likely to shot by 24% to 88.65lt as against last years 71.49lt on the back of increased acreage of around 13% to 87.114lt coupled with favourable climatic conditions. The yield of soybean crop is expected to increase by 10% to 1018 Kg/ha compared with 927 Kg/ha in last year. Further, increasing fresh arrivals are likely to pressurize the prices. However, prices found support on the back of commitments of soymeal export.

**FUTURES MARKET: -**

Soybean futures at NCDEX traded firm on renewed buying interest. October contract of soybean futures opened firm at Rs 1580/qrtl and tested a low of Rs 1571/qrtl in early hours. However, prices recovered in the later session to test an high of Rs 1597/qrtl before it closed at Rs 1591.50/qrtl.

**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.

**WEATHER:**

Monsoon rains to withdraw in 1-2 days. Harvest pressure to increase steadily.

**TECHNICALS: -**

Candlestick chart pattern shows firmness in prices. MACD and EMA remain weak for the medium-term. Stochastic is deep in the neutral region while RSI is heading upward in the neutral region. Market is expected to trade range bound with weak bias.

**SUPPORT / RESISTANCE:**

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct	1555	1560	1591.5	1598	1607

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

Markets	04.10.07	03.10.07	Change	Arrivals (Bags)
Indore [P]	1560-70	1540-60	+10	2,50,000-3,00,000
Indore [M]	1480-1500	1470	+30	
Maharashtra [P]	1600	1600	0	70,000-80,000
Maharashtra [M]	1470	1420	+50	
Kota [P]	1560	1570	-10	20,000-25,000
Kota [M]	1470-80	1480-90	-10	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1580.00	1597.00	1571.00	1591.00	1570.50	+21.00
NCDEX	Nov	1584.00	1607.00	1582.50	1607.00	1578.50	+28.50
NCDEX	Dec	1607.00	1632.00	1606.00	1632.00	1602.50	+29.50



## ■ MUSTARD

■ Oct 5th, 2007

### SPOT MARKETS:

Mustard seed witnessed steady to weak sentiment during the Thursday's trade. At Jaipur and Delhi prices eased slightly on mild demand against improved arrivals, while remained unchanged in Alwar and Agra on normal offtake against slightly improved arrivals. Non-condition seeds in Sriganganagar declined during the Thursday's trade on weak physical demand as expellers are not interested for fresh buying due to weakness in mustard oil. Overall arrival on Thursday reported in the range of 17,000 to 22,000 bags. Some weakness is expected in near term due to weak sentiment in other Oils. On other hand, considering the upcoming festivals (Dussehra and Dipawali) the prices are expected to improve in short to medium term. Prices at domestic exchanges ruled firm tracking the firmness in soybean and meal. Prices of rapeseed DOC stood steady at previous day's level and are likely to stay range bound in short to medium term.

### FUTURES MARKET: -

NCDEX Mustard seed futures traded weak. **October** contract opened firm at Rs 448.80 per 20 Kg against previous closing level of Rs 447.70/20 Kg. Contract then traded down on increased selling pressure testing a low of Rs 438.05/20 Kg before it closed at Rs 439.70/20 Kg.

### PRICE DRIVERS:

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

### WEATHER: -

As per IMD, monsoon rains over North West regions of India are withdrawing in day or two.

### TECHNICALS: -

A long dark candlestick is formed indicating weakness in prices. MACD and EMA remain weak for the medium term. Both Stochastic and RSI are moving downward in the neutral region. Market is expected to trade weak with possibility of slight late upward movement.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct	430	432	439.7	441	443

### Trade Recommendation:

**SELL** Oct futures below 439 with T1 at 435 and T2 - 434. SL at 441.

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

Markets	04.10.07	03.10.07	Change	Arrivals (Bags)
Jaipur (C)	2150	2155	-5	15-20,000
Alwar(C)	2070	2070	0	1000
Delhi(C)	2160	2165	-5	1000
Agra(C)/Katchi Ghani	2300/5100	2300/5100	0	-
Sri Ganganagar (NC)	1790-1800	1850	-50	200
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	448.80	448.80	438.05	439.70	447.70	-8.00
NCDEX	Nov	447.50	448.00	442.00	443.45	446.95	-3.50
NCDEX	Dec	445.50	447.35	442.25	444.50	446.10	-1.60

## ■ GROUNDNUT

■ Oct 5th, 2007

**SPOT MARKET: -**

Good crop conditions weak demand and poor trade activities pushed back groundnut complex in major trading centers. Kharif groundnut crop is in flowering/pegging stage in Karnataka where as pegging/pod filling stage in Andhra Pradesh, Maharashtra, Gujarat. Rainfed groundnut sowing is continues in Tamil Nadu. The prices of groundnut seeds for different qualities traded between Rs. 410-522 per 20kg in different market in Gujarat. In Rajkot market groundnut oil traded at Rs. 751 per 10 kg. On Thursday, the prices of groundnut oil improved slightly on tracking firm global cues. Steady to weak sentiment of other edible oils, however, limited the upside. Moving in tandem, the prices of groundnut seed stood steady at previous level of Rs 532/20 Kg.

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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