

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Oct 13th, 2007

### SPOT MARKETS:

Mandis in MP, Maharashtra and Rajasthan remained closed due to Agrasen jyanti and trading activity remained silent or absent in the market. Consequently, plant delivery prices of soybean also declined during the Friday's trade. Overall arrivals stood steady at Thursday's level of 5,00,000-5,20,000 bags. Weakness in soymeal at ports further aided to the bearishness. However, commitments of 6 lakh tonnes of soymeal exports by Dec'07 and prospects of higher exports for oilmeal marketing year 2007-08 due to expected lower crop in US and China this year is likely to boost the prices of soymeal as well as beans. As per the Soybean Processors Association of India, soymeal exports for 2007-08 oilmeal marketing year is likely to shot up by 4-4.5 MMT on the back of bumper crop this year. However, in short-term increasing arrival pressure as farmers need money for rabi cultivation and ahead of festivals (Dushera and Diwali) may pressurize the prices. Internationally, china soybean imports in Sept. 2007 stood at 1.89 MMT. Total imports during Jan-Sept. rose to 2.1% to 21.69 mln tonnes.

### FUTURES MARKET: -

Soybean futures at NCDEX traded weak. November contract of soybean futures opened firm at Rs 1634.00/qrtl against the previous close of Rs 1627.50/qrtl and traded up initially testing a high of Rs 1637.50/qrtl. However, prices tumbled thereafter on selling pressure at higher level and tested a low of Rs 1620.00/qrtl before it closed at 1624/qrtl.

### PRICE DRIVERS:

1. Firmness on CBOT
2. Steady arrivals of beans.
3. Weak soymeal sentiments.
4. Harvest picking up in MP and Maharashtra

### WEATHER:

SW monsoon is withdrawn from NW India, favours harvesting.

### TECHNICALS: -

Candlestick chart pattern shows weakness in prices. Prices closed above the short-term EMA's which favours bulls. MACD is flat in the positive territory. Stochastic is moving up while RSI is flat in the neutral zone. Market is expected to trade range bound with firm bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX -Nov	1609	1617	1624	1657	1666

### Trade Recommendation:

**BUY** NCDEX November Soybean contract above 1630 with T1 at 1641, T2 at 1648. SL at 1624.

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

Markets	12.10.07	11.10.07	Change	Arrivals (Bags)			
Indore [P]	1590	1600	-10	1,50,000-2,00,000			
Indore [M]	NA	1520-30	-				
Maharashtra [P]	1570-75	1575-80	-5	1,50,000-2,00,000			
Maharashtra [M]	NA	1520-30	-				
Kota [P]	1590	1580-90	NIL	25,000-30,000			
Kota [M]	NA	1480-1520	-				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1612.00	1612.00	1595.00	1606.00	1603.50	+2.5
NCDEX	Nov	1634.00	1637.50	1620.00	1624.00	1627.50	-3.5
NCDEX	Dec	1666.00	1670.50	1648.00	1653.00	1659.50	-6.5

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## MUSTARD

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### SPOT MARKETS:

At Jaipur, Alwar and Delhi conditioned Mustard seed prices remained unchanged at Thursday's level on normal demand supply situation while prices improved in Agra on improved demand from expellers / crushers. Non-conditioned seed prices eased during the Friday's trade at Sri Ganganagar on weak demand against steady arrivals. On other hand, firmness in oils and other seeds besides firmness in domestic exchanges and sowing demand were seen limiting the downside. Overall arrivals remained unchanged at 10,000-17,000 bags on Friday. Meanwhile, the acreage of Mustard seed in Rajasthan is expected to shot up by 3.2 mln ha against targeted 3 mln ha earlier despite scanty rains in many mustard growing areas due to ample soil moisture, Sate Agriculture Minister, Rajasthan. He also stated that 2-3 spell of winter rains would yield bumper harvest. Last year Mustard was sown in an area of 2.7-2.9 mln ha on which output of around 2.75-3.25 mln ha was estimated.

### FUTURES MARKET: -

**NCDEX** Mustard seed futures traded firm. **November** contract opened firm at Rs 458.50/20 Kg against previous close of Rs 458.40/20 Kg. Contract then traded up on buying interest testing a high of Rs 462.75/20 Kg before it closed at Rs 460.85/20 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 neutral region. Market is expected to trade range bound with firm bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	455	457	460.85	465	466

### Trade Recommendation:

**BUY** Nov above 459 with T1 at 462 and T2 at 463. SL at 457.5.

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

Markets	12.10.07	11.10.07	Change	Arrivals (Bags)
Jaipur (C)	2240-50	2240-50	Nil	10,000-15,000
Alwar(C)	2160-70	2160-70	Nil	1000
Delhi(C)	2250	2250	Nil	700
Agra(C)/Katchi Ghani	2350-2400	2300-2350	+50	-
Sri Ganganagar (NC)	1890-1900	1915-20	-20	1000
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	456.15	458.50	456.00	457.75	455.70	+2.05
NCDEX	Nov	458.50	462.75	458.50	460.85	458.40	+2.45
NCDEX	Dec	462.00	466.20	462.00	464.50	461.70	+2.80

## ■ GROUNDNUT

■ Oct 13th, 2007

**SPOT MARKET: -**

Amidst increased arrival pressure against subdued trading activity the prices of groundnut seed and oil eased during the Friday's trade. The prices of groundnut seeds for different qualities declined from the Thursday's level of Rs 410-498 per 20 Kg to Rs 410-495 per 20 Kg in different market in Gujarat. In Rajkot market groundnut oil quoted down from the Thursday's level of Rs 707-708 per 10 Kg to Rs 691-692 per 10 Kg. Sources, revealed that many mills started operation, which pressurizing the prices. However, festival demand is seen limiting the downside. Further, good crop conditions and steadily increasing arrivals is likely to pressurize the groundnut complex in major trading centers in near term. 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 in prices. 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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