

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 18th, 2007

SPOT MARKETS:

Soybean prices stood steady across the cash markets on good physical demand against steady arrivals. Firmness in edible oils ahead of festival supported the sentiment of beans during the Wednesday's trade despite of weakness in international market. Consequently, 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 despite of huge arrivals. Overall arrivals across the markets stood at Tuesday's level of 11.5-12.5 lakh bags. Steady to firm sentiment of soymeal at ports on earlier export commitments and expectation of higher exports this season due to lower crop in US and China also lent support to soybean prices. Meanwhile, soybean acreage is expected to decline by 1% to 22.5 mln ha this year in Brazil compared to 22.8 mln ha last month due to unfavorable weather condition and diversification of fields for corn and sugarcane.

FUTURES MARKET: -

Soybean futures at NCDEX traded weak. November contract of soybean futures opened weak at Rs 1645.50/qrtl against the previous close of Rs 1652.00/qrtl and tested a high of Rs 1652.00. Contract then traded down on selling pressure testing a low of Rs 1636.00/qrtl before it closed at Rs 1637.00/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SW monsoon is withdrawn from NW India, favours harvesting.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 weakness in prices. MACD and EMA remains firm for the medium term. MACD is flat in the positive territory. Stochastic is rising while RSI is heading down in the neutral region. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	1617	1625	1637	1658	1665

Trade Recommendation:

BUY NCDEX November Soybean contract above 1634 with T1 at 1644, T2 at 1649. SL at 1629.

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

Markets	17.10.07	16.10.07	Change	Arrivals (Bags)			
Indore [P]	1600-1610	1600-1610	Nil	5,50,000-6,00,000			
Indore [M]	1500-1550	1490-1550	Nil				
Maharashtra [P]	1600-1620	1600-1620	Nil	4,50,000-4,75,000			
Maharashtra [M]	1500-1550	1480-1550	Nil				
Kota [P]	1600-1610	1600-1610	Nil	1,50,000-1,75,000			
Kota [M]	1540-1565	1520-1565	Nil				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1618.00	1630.00	1611.00	1617.00	1627.50	-10.50
NCDEX	Nov	1645.50	1652.00	1636.00	1637.00	1652.00	-15.00
NCDEX	Dec	1681.00	1689.50	1673.00	1674.00	1687.50	-13.50

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MUSTARD

Oct 18th, 2007

SPOT MARKETS:

Conditioned Mustard seed prices remained unchanged at most of the major markets on mild demand and slightly lower arrivals, while prices shot up in Delhi markets on lower arrival against some demand. Non-conditioned seed prices at Sri Ganganagar, also stood steady at Tuesday's level on mild demand against steady arrivals. Overall arrivals declined from the Tuesday's level of 17,000-21,000 bags to 16,000-17,500 bags, which restricted the downside besides the festive and sowing demand. Further, sowing has started in few areas in Rajasthan and around 15-20% sowing is done so far, reported. However, few sources reported that the yield of crop may get affected in few parts of Rajasthan due insufficient monsoon rains and lower soil moisture. Prices are expected to remain steady to firm in coming day's on good demand from expellers following good demand from UP and NE parts coupled with lower stock with expellers.

FUTURES MARKET: -

NCDEX Mustard seed futures traded weak. November contract opened weak at Rs 469.00/20 Kg against previous close of Rs 470.30/20 Kg. Contract then traded down on selling pressure and profit taking and tested a low of Rs 465.85/20 Kg before it closed at Rs 466.30/20 Kg.

PRICE DRIVERS:

1. Centre hiked MSP of rapeseed/ mustard seed
2. NAFED to import more edible oils.
3. Marked lower arrivals
4. Sowing demand for mustard seed.
5. Festive & marriage season demand for edible oils.
6. Sowing is started in few places in Rajasthan

WEATHER: -

SW monsoon withdrawn from NW India may hinder sowing in Rajasthan.

TECHNICALS: -

Candlestick chart pattern shows weakness in market. MACD and EMA remains firm for the medium-term. Stochastic has made bearish crossover in overbought region while RSI is heading down in the neutral region. Market is expected to trade range bound with weak bias with possibility of late upward movement.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	460	461	466.3	468	469

Trade Recommendation:

SELL Nov below 466 with T1 at 464 and T2 at 463. SL at 467.

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

Markets	17.10.07	16.10.07	Change	Arrivals (Bags)
Jaipur (C)	2270-75	2270-75	Nil	15,000
Alwar(C)	2170-80	2170-80	Nil	1500
Delhi(C)	2380	2300	+80	200-250
Agra(C)/Katchi Ghani	2450	2440-50	Nil	-
Sri Ganganagar (NC)	1930-35	1930-35	Nil	650-700
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	460.10	460.80	459.00	462.00	462.75	-0.75
NCDEX	Nov	469.00	469.00	465.85	466.30	470.30	-4.00
NCDEX	Dec	474.00	474.00	470.05	471.00	475.30	-4.70

■ GROUNDNUT

■ Oct 18th, 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 stood steady at Tuesday's level of Rs 410-457 per 20 Kg in different market of Gujarat. In Rajkot market groundnut oil quoted down from the Tuesday's level of Rs 622-623 per 10 Kg to 614-615 per 10 Kg. Peak arrivals of groundnut are pressurizing the prices despite festive season. Groundnut hub, Saurashtra is witnessing arrivals of over 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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