

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 10th, 2007

SPOT MARKETS:

The physical prices of soybean declined across the domestic markets on outpaced supplies to demand. However, soybeans arrivals have improved but buyers mainly solvent plants reluctant for bulk purchasing as new soybeans in coming with higher moisture (15-18) percentage. This impeded the oil and meals recovery during crushing. The weakness in soy oil and afresh invitation by MMTC to import 21,000 tonnes edible oil for October-November deliveries also lent some weakness. Overall soybeans arrivals remained steady at 7.25-7.5 lakh bags from the Monday's level. In Indore, soybeans prices improved on declined arrivals by nearly 75,000-100,000 bags to 4.5-4.75 lakh bags. According to reports, 2007/08, Brazilian soybeans plantation is lagging that usually start by mid September. So far only 0.5% sowing in completed as compared to 3% last year. This would support the CBOT despite harvest pressure of soybeans in USA.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean futures opened weak at Rs 1575.00/ctl against the previous close of Rs 1581/ctl. Market tested a low of Rs. 1568/ctl and high of Rs 15597/ctl. Contract closed at Rs 1597/ctl.

PRICE DRIVERS:

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

WEATHER:

SW monsoon is withdrawn from NW India, favourable for harvesting.

TECHNICALS: -

Candlestick chart pattern shows strong buying interest among traders in the market. EMA remain weak for the short-term. MACD is falling in positive territory. Both stochastic and RSI is rising in the neutral region. Market is expected to trade up with steady to firm opening.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|------------|------|------|------|------|------|
| NCDEX -Nov | 1546 | 1556 | 1597 | 1612 | 1620 |

Trade Recommendation:

BUY NCDEX November Soybean contract Near 1598 with T1 at 1606, T2 at 1610. SL at 1594.

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

| Markets | 09.10.07 | 08.10.07 | Change | Arrivals (Bags) |
|-----------------|-----------|----------|--------|-----------------|
| Indore [P] | 1530-50 | 1540-50 | Nil | 450,000-500,000 |
| Indore [M] | 1450 | 1420-40 | +10 | |
| Maharashtra [P] | 1470-1510 | 1530-40 | -30 | 250,000-260,000 |
| Maharashtra [M] | 1370-1400 | 1430 | -30 | |
| Kota [P] | 1500-10 | 1540 | -30 | 35,40,000 |
| Kota [M] | 1400-40 | 1450-60 | -20 | |

| Exchange | Expiry | Open | High | Low | Close | Prev Close | % Change |
|----------|--------|---------|---------|---------|---------|------------|----------|
| NCDEX | Oct | 1560.00 | 1580.00 | 1554.00 | 1575.00 | 1565.50 | +0.61 |
| NCDEX | Nov | 1575.00 | 1599.00 | 1568.00 | 1597.00 | 1581.00 | +1.01 |
| NCDEX | Dec | 1605.50 | 1628.50 | 1597.50 | 1625.50 | 1609.50 | +0.99 |



■ MUSTARD

■ Oct 10th, 2007

SPOT MARKETS:

Mustard seed prices shoot up during the Tuesday's amidst good physical demand against steady arrivals. At Jaipur, Alwar, Delhi and Agra conditioned seeds prices went up by Rs 10-50 and non-conditioned seed prices at Sri Ganganagar went up by Rs 20-25. Good demand from expellers reported in the market ahead of festivals (Diwali & Dushera). Sowing demand for seeds also supported the sentiment. Further, expectation of delayed sowing in Rajasthan restricted downside. It is noted that Mustard growing areas in Rajasthan requires one more spell of rains before sowing. Firm sentiment in domestic exchanges further aided to the firmness. However, slow down exports and disparity in DOC due to weakness in dollar restricting the upside to some extent. Arrivals across the markets stood steady at Monday's level of 10,000-17,000 bags.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. **November** contract opened weak at Rs 446.05/20 Kg against previous closing level of Rs 447.45/20 Kg and tested a low of Rs 445.60/20 Kg. Contract then closed high on buying interest testing a high of Rs 455.30/20 Kg before it closed at Rs 454.75/20 Kg.

PRICE DRIVERS:

1. NAFED to import more edible oils.
2. Improved arrivals on Friday.
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 prices. Prices closed above the 9-days and 18-days EMA is indicating firmness in prices. MACD made bullish crossover in positive territory. Stochastic and RSI is moving up in the neutral region. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------|-----|-----|--------|-----|-----|
| NCDEX-Nov | 447 | 450 | 454.75 | 463 | 467 |

Trade Recommendation:

BUY Nov above 455 with T1 at 458 and T2 - 459. SL at 453.5.

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

| Markets | 09.10.07 | 08.10.07 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|-----------------|
| Jaipur (C) | 2165-70 | 2100-2120 | +50 | 10,000-15,000 |
| Alwar(C) | 2110-15 | 2100 | +15 | 1000 |
| Delhi(C) | 2200 | 2170 | +30 | 600-700 |
| Agra(C)/Katchi Ghani | 2290-2300 | 2290 | +10 | - |
| Sri Ganganagar (NC) | 1875-80 | 1850-55 | +25 | 700-800 |
| Kota (NC) | - | - | - | - |

| Exchange | Expiry | Open | High | Low | Close | Prev Close | % Change |
|----------|--------|--------|--------|--------|---------|------------|----------|
| NCDEX | Oct | 445.70 | 453.70 | 445.70 | 452.95. | 445.65 | +1.64 |
| NCDEX | Nov | 446.05 | 455.30 | 445.60 | 454.75 | 447.45 | +1.63 |
| NCDEX | Dec | 448.50 | 456.95 | 448.60 | 456.60 | 449.15 | +1.66 |

■ GROUNDNUT

■ Oct 10th, 2007

SPOT MARKET: -

Good crop conditions and steadily increasing arrivals pressurized the groundnut complex in major trading centers against a subdued demand. The prices of groundnut seeds for different qualities traded between Rs 410-503 per 20kg in different market in Gujarat against Rs. Rs. 410-509 per 20 kg on Monday. In Rajkot market groundnut oil quoted weak at Rs 712 per 10 Kg against Rs. 738 per 10 kg on Monday. 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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.