

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 11th, 2007

SPOT MARKETS:

Amidst improved soymeal prices at port coupled with lower arrival across the market, soybean prices shoot up during the Wednesday's trade. With the reports that South Korea would import 45,000 tonnes of soymeal from India for Jan to Feb shipment boosted the sentiments of meal and consequently the beans prices. On other hand, lower arrivals across the market due to new moon further aided to the bullish tone. Overall arrivals declined from the Tuesday's level of 7.25-7.5 lakh bags to 2.5-3 lakh bags. Market also get support on overnight firmness in CBOT and hike in MSP of Mustard seed from Rs 1715/qrtl to Rs 1800/qrtl. Further, 2007-08, Brazilian soybeans plantation is lagging which usually starts by mid September. So far only 0.5% sowing in completed as compared to 3% last year.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean futures opened firm at Rs 1601.00/qrtl against the previous close of Rs 1596.50/qrtl. Contract then traded up on increased buying interest testing a high of Rs 1634.00/qrtl before it closed at Rs 1629.50/qrtl.

PRICE DRIVERS:

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

WEATHER:

SW monsoon is withdrawn from NW India, favourable for harvesting.

TECHNICALS: -

A long hollow candlestick is formed indicating firmness in market. MACD and EMA remains firm for the medium term. Stochastic is moving flat while RSI is rising in the neutral zone. Market is expected to trade up following a steady to firm opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX -Nov	1618	1623	1629.5	1653	1660

Trade Recommendation:

BUY NCDEX November Soybean contract above 1631 with T1 at 1641, T2 at 1647. SL at 1626.

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

Markets	10.10.07	09.10.07	Change	Arrivals (Bags)			
Indore [P]	1540-60	1530-50	+10	1,50,000			
Indore [M]	1480-90	1450	+40				
Maharashtra [P]	1530	1470-1510	+20	50,000			
Maharashtra [M]	1400-1470	1370-1400	+70				
Kota [P]	1530	1500-10	+20	50,000			
Kota [M]	1480	1400-40	+40				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1590.00	1613.50	1581.00	1610.00	1577.00	+33.00
NCDEX	Nov	1601.00	1634.00	1601.00	1629.50	1596.50	+33.00
NCDEX	Dec	1630.00	1669.00	1630.00	1666.00	1625.50	+40.50



■ MUSTARD

■ Oct 11th, 2007

SPOT MARKETS:

Mustard seed prices improved further across the markets on higher announcement of hike in MSP and good demand. Centre on late Tuesday announced the Rabi Rapeseed / Mustard seed prices at Rs 1800/qlt against Rs 1715/qlt last year, which boosted the sentiment during the Wednesday's trade. At Jaipur, Alwar, Delhi and Agra conditioned seeds prices went up by Rs 10-30 and non-conditioned seed prices at Sri Ganganagar went up by Rs 10-15. Good demand from expellers reported in the market ahead of festivals besides the sowing demand for seeds, which further supported the sentiment. Expectation of delayed sowing in Rajasthan further added to the firmness, as Mustard growing areas in Rajasthan requires one more spell of rains before sowing. Lower arrivals also aided to the bullish tone. However, slowdown in exports and disparity in DOC due to weakness in dollar is seen to be limiting upside to some extent. Overall arrival declined from the Tuesday's level of 10,000-17,000 bags to 10,000-12,000 bags.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. **November** contract opened firm at Rs 455.90/20 Kg against previous close of Rs 454.85/20 Kg and tested a low of Rs 454.30/20 Kg. Contract then recovered on buying interest testing a high of Rs 458.40/20 Kg before it closed at Rs 458.30/20 Kg.

PRICE DRIVERS:

1. NAFED to import more edible oils.
2. Sowing demand for mustard seed.
3. Festive & marriage season demand for edible oils.
4. 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 well above the short-term EMAs indicating firmness in market. MACD moving up in positive territory. 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	456	458.3	466	467

Trade Recommendation:

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

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

Markets	10.10.07	09.10.07	Change	Arrivals (Bags)
Jaipur (C)	2180	2165-70	+10	10,000
Alwar(C)	2110-20	2110-15	+5	900
Delhi(C)	2230	2200	+30	700
Agra(C)/Katchi Ghani	2300-2310	2290-2300	+10	-
Sri Ganganagar (NC)	1890-95	1875-80	+15	600
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	453.95	456.30	453.50	455.40	453.15	+2.25
NCDEX	Nov	455.90	458.40	454.30	458.30	454.85	+3.45
NCDEX	Dec	458.00	462.30	456.10	462.00	456.60	+5.40



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■ GROUNDNUT

■ Oct 11th, 2007

COMMODITIES RESEARCH

SPOT MARKET: -

Good crop conditions and steadily increasing arrivals pressurized the groundnut complex in major trading centers against a subdued trading activity pressurized the prices of groundnut. The prices of groundnut seeds for different qualities eased from the Tuesday's level of Rs 410-503 per 20kg to Rs 410-495 per 20 Kg in different market in Gujarat. In Rajkot market groundnut oil quoted weak at Rs 706 per 10 Kg against Rs. 712 per 10 kg on Tuesday. 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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