

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 17th, 2007

SPOT MARKETS:

Soybean prices across the markets firmed up on good physical demand despite of huge arrivals. Good demand from millers / crushers reported in the market at prevailing prices to fulfill their stocks for 15-30 days to continue crushing, which boosted the sentiment. Firmness in soymeal prices at ports and edible oil following firmness in CBOT also lent support to the prices. Overall arrivals increased significantly from the Monday's level of 10,00,000-11,00,000 bags to 11,50,000-12,50,000 bags on Tuesday. Internationally, NOPA pegged Sept. soybean crush rate at 139.8 mln bu, up from the August level of 137.6 mln bu and trade estimation of 136.7 mln bu as well as compared to 137.3 mln bu in corresponding period last year. In Brazil, due to unfavorable weather condition and diversification of fields for corn and sugarcane, soybean acreage is expected to decline by 1% to 22.5 mln ha in 2007-08 compared to 22.8 mln ha in last month. However, the main soybean growing area "Mato Grosso" is expected to plant 5.7 mln ha of beans, up 8.2% from the last years.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean futures opened firm at Rs 1642.00/qrtl against the previous close of Rs 1639.50/qrtl. Contract then traded up on increased buying interest testing a high of Rs 1658.00/qrtl before it closed at Rs 1651.00/qrtl.

PRICE DRIVERS:

1. Weakness on CBOT
2. Improved arrivals of beans.
3. Good physical demand from millers/crushers
4. 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SW monsoon is withdrawn from NW India, favours harvesting.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 firmness in prices. MACD and EMA remains firm for the medium term. MACD is rising in the positive territory. Stochastic has made a bearish crossover while RSI is heading upward in the neutral region. Market is expected to trade range bound with firm bias with possibility of late downward movement on profit taking.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	1626	1638	1651	1675	1680

Trade Recommendation:

BUY NCDEX November Soybean contract above 1650 with T1 at 1660, T2 at 1665. SL at 1645.

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

Markets	16.10.07	15.10.07	Change	Arrivals (Bags)			
Indore [P]	1600-1610	1560-70	+40	5,50,000-6,00,000			
Indore [M]	1490-1550	1460-1530	+20				
Maharashtra [P]	1600-1620	1570-85	+35	4,50,000-4,75,000			
Maharashtra [M]	1480-1550	1450-1510	+40				
Kota [P]	1600-1610	1560-80	+30	1,50,000-1,75,000			
Kota [M]	1520-1565	1480-1550	+15				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1616.00	1633.00	1616.00	1625.00	1615.00	+10.00
NCDEX	Nov	1642.00	1658.00	1642.00	1651.00	1639.50	+11.50
NCDEX	Dec	1678.00	1693.00	1678.00	1687.00	1674.00	+13.00



■ MUSTARD

■ Oct 17th, 2007

SPOT MARKETS:

At Jaipur and Delhi conditioned mustard seed prices further went up by Rs 5-10 on improved demand ahead of festivals against restricted arrivals, while prices stood steady at Alwar and Agra markets on subdued trading activity against restricted arrivals. Non-conditioned seed prices at Sri Ganganagar, improved further on demand from expellers against marginally lower arrivals. Overall arrivals declined from the Monday's level of 17,000-22,000 bags to 17,000-21,000 bags, which supported the sentiment besides festive and sowing demand. Further, sowing has started in few areas in Rajasthan, reported. It also reported that farmers are interested for sowing of the commodity due to higher MSP announced by the govt. and ample soil moisture, which favours sowing. Consequently the acreage in Rajasthan is expected to increase this year. Sowing is picking up pace in UP, Haryana and Punjab.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. November contract opened firm at Rs 469.20/20 Kg against previous close of Rs 468.30/20 Kg and tested a low of Rs 465.45/20 Kg. Contract then recovered on increased buying interest testing a high of Rs 472.30/20 Kg before it closed at Rs 469.80/20 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 indecisive market. MACD and EMA remains firm for the medium-term. Stochastic is flat while RSI is rising in the overbought zone. So correction from these levels cannot be ruled out. Market is expected to trade range bound with firm bias with possibility of late downward movement.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	466	468	469.8	477	479

Trade Recommendation:

BUY Nov above 471 with T1 at 474 and T2 at 475. SL at 469.5.

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

Markets	16.10.07	15.10.07	Change	Arrivals (Bags)
Jaipur (C)	2270-75	2260-70	+5	15,000-19,000
Alwar(C)	2170-80	2170-80	-	800
Delhi(C)	2300	2290	+10	500-600
Agra(C)/Katchi Ghani	2440-50	2440-50	-	-
Sri Ganganagar (NC)	1930-35	1920-25	+10	700
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	460.50	464.20	457.50	463.00	458.65	+4.35
NCDEX	Nov	469.20	472.30	465.45	469.80	468.30	+1.50
NCDEX	Dec	474.20	477.00	470.90	475.15	473.10	+2.05

■ GROUNDNUT

■ Oct 17th, 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 declined from the Monday's level of Rs 410-478 per 20 Kg to Rs 410-457 per 20 Kg in different market of Gujarat. In Rajkot market groundnut oil quoted down from the Monday's level of Rs 638-639 per 10 Kg to Rs 622-623 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 may 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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