

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 27th, 2007

SPOT MARKETS:

Soybean prices shot up across the major cash markets on good physical demand and firm global advice. Attractive parities have led to active participation of millers / crushers, with stockists also jumping in the fray, which led to good demand at higher price levels also. Whereas the supplies are insufficient in the market to fulfill the requirement, which is recorded over 14 lakh bags. Sources reported that in expectation of higher prices the big farmers are holding back their stocks, which is boosting the sentiment. Further, firm sentiment of soymeal at ports on continuing good demand for meal in export market at US \$363-365/MT besides firm sentiment of edible oil in domestic market also aided firmness. Thus, considering the above factors prices may saw some more upside.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean opened firm with a small gap up at Rs 1692.50/qlt against the previous close of Rs 1690.00/qlt. Contract then traded up on increased buying interest testing a high of Rs 1720.00/qlt before it closed at Rs 1715.00/qlt.

PRICE DRIVERS:

1. Market increased arrivals of beans.
2. Good physical demand from millers/crushers and stockists
3. Firm soymeal sentiments at ports.
4. Harvest picking up in MP and Maharashtra
5. Expectation of higher soymeal exports in 2007-08
6. Firm global advice

WEATHER:

SW monsoon is withdrawn from NW India, favours harvesting.

TECHNICALS: -

A long hollow candlestick is formed indicating firmness in market. MACD and EMA remains firm for the medium-term. Stochastic is moving up near the overbought zone while RSI is heading up in overbought zone. Overall trend remain up. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	1697	1707	1715	1735	1742

Trade Recommendation:

BUY NCDEX November Soybean contract above 1717 with T1 at 1727, T2 at 1732. SL at 1712.

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

Markets	26.10.07	25.10.07	Change	Arrivals (Bags)			
Indore [P]	1670	1630-1650	+20	7,25,000-7,50,000			
Indore [M]	1590-1620	1580-1600	+20				
Maharashtra [P]	1700	1660-1670	+30	4,25,000-4,50,000			
Maharashtra [M]	1650	1620-1630	+20				
Kota [P]	1680-1690	1660-1670	+20	2,00,000-2,50,000			
Kota [M]	1600-1630	1600-1620	+10				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	1692.50	1720.00	1692.50	1715.00	1690.00	+25.00
NCDEX	Dec	1726.00	1753.00	1726.00	1742.50	1723.50	+19.00
NCDEX	Jan	1754.00	1774.00	1754.00	1762.50	1743.00	+19.50



■ MUSTARD

■ Oct 27th, 2007

SPOT MARKETS:

Mustard seed prices shot up across the major cash markets on good physical demand ahead of festivities coupled with expectation of lower production this Rabi season. At Jaipur, Alwar, Delhi and Agra mustard seed condition prices went by Rs 10-25/qlt compared to Thursday's. Non-condition seed prices at Sri Ganganagar also went up by Rs 35/qlt. Due to continuously soaring Barley prices farmers are shifting from mustard to barley cultivation this Rabi season mainly in Rajasthan and consequently, a lower mustard seed output is expected this year, which is boosting the mustard prices. Besides this good demand from West Bengal ahead of festivals coupled with lower stock position with NAFED / stockists and expectation of lower carry forward stock is also seen driving the market. Overall arrival stood steady at Thursday's level of 12,600-18,000 bags on Friday.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. November contract opened firm at Rs 469.30/20 Kg against previous close of Rs 468.10/20 Kg. Contract then traded up on increased buying interest testing a high of Rs 472.85/20 Kg before it closed at Rs 471.60/20 Kg.

PRICE DRIVERS:

1. Centre hiked MSP of rapeseed/ mustard seed
2. NAFED to sell 2lt of mustard seed.
3. Sowing demand for mustard seed; lower arrivals
4. Festive & marriage season demand for edible oils.
5. Expectation of lower acreage this year
6. Lower stock with NAFED & in physical markets.

WEATHER: -

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

TECHNICALS: -

A long hollow candlestick is formed indicating firmness in prices. MACD and EMA remains firm for the medium-term. MACD is rising steadily in positive territory. Stochastic is rising in neutral region while RSI is rising in overbought zone. Overall trend remain up. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	470	471	472.4	477	478

Trade Recommendation:

BUY Nov above 473 with T1 at 475 and T2 at 476. SL at 472.

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

Markets	26.10.07	25.10.07	Change	Arrivals (Bags)
Jaipur (C)	2310	2295	+15	10000-15000
Alwar(C)	2250	2235-40	+10	1000-1500
Delhi(C)	2260-80	2260-70	+10	800
Agra(C)/Katchi Ghani	2475-2500	2475	+25	-
Sri Ganganagar (NC)	1965-70	1935	+35	800
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	469.30	472.85	469.30	471.60	468.10	+3.50
NCDEX	Dec	475.25	478.60	475.25	477.30	473.95	+3.35
NCDEX	Jan	477.90	480.60	477.90	480.25	476.15	+4.10

■ GROUNDNUT

■ Oct 27th, 2007

SPOT MARKET: -

Amidst improved demand ahead of festivals as well as firmness in other edible oil, the prices of groundnut seed and oil shot up during the Friday's trade. The prices of groundnut seeds for different qualities improved from the Thursday's level of Rs 410-466 per 20 Kg to 410-475/20 Kg in different market of Gujarat. In Rajkot market groundnut oil also improved from Rs 611-612/10 Kg to Rs 622-623/10 Kg. Reportedly lower arrival across the markets aided firmness in the market. Expectation of export opportunity is also seen supporting the sentiment. 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. However, sources revealed that most of the mills start crushing and some are likely to start soon, which may pressurize 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. 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 is 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.

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 witness record output during the current season as the late monsoon is seen beneficial for the crop.

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