

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 6th, 2007

SPOT MARKETS:

Soybean spot prices in Indore improved on routine demand against lower arrivals, whereas spot prices in Maharashtra and Kota eased on mild demand against improved arrivals. Overall arrivals on Friday stood steady at previous level of 4,00,000 - 4,20,000 bags. Prices are expected to remain range bound in coming days. However, some improvement can be seen on the back of commitments of huge meal exports. Meanwhile, total oilseeds acreage so far has been 176.05 lakh ha against to 164.72 lakh ha on October 4, last year. Soybean has been sown in 8% and groundnut in 14% higher area compared to corresponding period last year. Internationally, the Agriculture Ministry in Brazil expecting 2007-08 soybean crops at 59.4 to 61.3 million tonnes compared with the record production of 58.4 million tonnes last year. Acreage is expected shoot up by 4.3% compared to last years. Further, the USDA weekly export sale for soybean stood at 6,66,100 tonnes compared to trade expectations between 6,50,000-7,50,000 tonnes. Meals sales stood at 188,400 metric tonnes compared to trade expectations between 75,000-1,25,000 tonnes.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm on renewed buying interest. October contract of soybean futures opened firm at Rs 1593.50/qrtl and tested a low of Rs 1584/qrtl in early hours. However, prices recovered in the later session to test a high of Rs 1602/qrtl before it closed at Rs 1593/qrtl.

PRICE DRIVERS:

1. Marked increase in arrivals of beans.
2. Steady soymeal sentiments.
3. Soybean harvest in US & India.
4. World soybean output to decline.
5. Harvest picking up in MP and Maharashtra

WEATHER:

IMD predicted for the withdrawal of Monsoon rains over NW

TECHNICALS: -

Candlestick chart pattern shows indecisive market. MACD and EMA remain weak for the medium-term. Stochastic is deep in the neutral region while RSI is moving flat in the neutral region. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX -Oct	1555	1560	1593	1598	1607

Trade Recommendation:

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

Markets	05.10.07	04.10.07	Change	Arrivals (Bags)
Indore [P]	1580-90	1560-70	+20	2,50,000
Indore [M]	1440-1540	1480-1500	+40	
Maharashtra [P]	1570-90	1600	-10	1,40,000
Maharashtra [M]	1450	1470	-20	
Kota [P]	1560	1560	0	20,000-27,000
Kota [M]	1450	1470-80	-30	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1593.5	1602.0	1584.5	1593.0	1590.5	+2.5
NCDEX	Nov	1608.0	1620.0	1599.5	1609.5	1605.0	+4.5
NCDEX	Dec	1635.0	1648.0	1624.0	1637.0	1629.0	+8.0

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MUSTARD

Oct 6th, 2007

SPOT MARKETS:

Mustard seed witnessed steady to firm sentiment during the Friday's trade. At Jaipur, Delhi, Alwar and Agra prices of condition mustard seed recovered on some buying support from expellers ahead of festivals (Dushera and Diwali). Also sowing demand from farmers, also supported the sentiment. Non-condition seeds in Sri Ganganagar remained unchanged during the Friday's trade on mild demand against lower arrival. Overall arrival declined from the Thursday's level of 17,000 - 22,000 bags to 15,000 - 20,000 bags, which further aided to the bullish tone. However, some weakness is expected in near term due to weak sentiment in other Oils. Meanwhile, Statistics Canada pegged canola production at 8.86 million tonnes, down from the previous fore cast of 9.24 million tonnes as well as average pre-report trade estimate of 9.2 million tonnes.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. **October** contract opened firm at Rs 440.50/ 20 Kg against previous closing level of Rs 439.70/ 20 Kg and tested a low of Rs 439.20/ 20 Kg. Contract then recovered on renewed buying interest and profit taking testing a high of Rs 442.75/20 Kg before it closed at Rs 441.50/20 Kg.

PRICE DRIVERS:

1. NAFED to import more edible oils.
2. Lower arrivals on Friday.
3. Sowing demand for mustard seed.
4. Festive and marriage season demand for edible oils.

WEATHER: -

As per IMD, predicted for the withdrawal of monsoon rains over NW India.

TECHNICALS: -

Candlestick chart pattern shows firmness in prices. MACD and EMA remain weak for the medium term. Stochastic is moving down while RSI is heading up in the neutral region. Market is expected to trade weak with possibility of slight late upward movement.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct	433	435	441.5	446	448

Trade Recommendation:

SELL Oct futures below 443 with T1 at 439 and T2 - 438. SL at 445.

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

Markets	05.10.07	04.10.07	Change	Arrivals (Bags)
Jaipur (C)	2155	2150	+5	15-20,000
Alwar(C)	2070-80	2070	+10	700-800
Delhi(C)	2170	2160	+10	400-500
Agra(C)/Katchi Ghani	2310	2300/5100	+10	-
Sri Ganganagar (NC)	1800	1790-1800	0	200
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	440.50	442.75	439.20	441.50	439.70	+1.80
NCDEX	Nov	443.80	446.35	443.05	445.50	443.25	+2.25
NCDEX	Dec	445.55	448.80	445.55	447.80	445.20	+2.60

■ GROUNDNUT

■ Oct 6th, 2007

SPOT MARKET: -

Good crop conditions weak demand and poor trade activities pushed back groundnut complex in major trading centers. Kharif groundnut crop is in pegging stage in Karnataka, Maharashtra, AP where as pod/early maturity stage in Gujarat. Rainfed groundnut sowing is continues in Tamil Nadu. The prices of groundnut seeds for different qualities traded between Rs. 410-515 per 20kg in different market in Gujarat against Rs. 410-522 per 20 kg yesterday. In Rajkot market groundnut oil traded at Rs. 755 per 10 kg. On Friday, the prices of groundnut oil improved slightly on tracking firm sentiment in soybean and oil futures market. Steady to weak sentiment of other edible oils in spot, however, limited the upside. Moving in tandem, the prices of groundnut seed stood steady to slightly weak at Rs 530/20 Kg.

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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