

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 24th, 2007

SPOT MARKETS:

Soybean prices shoot up across the markets on good physical demand on the back of firm sentiment of soymeal at ports despite weakness in CBOT and huge arrivals. Attractive meal prices are aiding good margin for the processors resulting in strong seed prices. Good demand from millers and crushers reported in the market. Overall arrivals increased across the markets after the Dusshera holidays from 6-6.5 lakh bags to 9-10 lakh bags. As per Agriculture Secretariat data, Argentina the world's number third soybean producer and exporter after US and Brazil has exported 1,477,044 MT of soybean in August'07, up 153 per cent from 584,401 MT exported in August'06. China was the leading buyer of Argentine soybean.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean futures opened weak with a gap down at Rs 1652.00/qrtl against the previous close of Rs 1657.00/qrtl and tested a low of Rs 1651.00/qrtl. Contract then traded up on increased buying interest testing a high of Rs 1675.00/qrtl before it closed at Rs 1674.50/qrtl.

PRICE DRIVERS:

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

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SW monsoon is withdrawn from NW India, favours harvesting.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. MACD is rising steadily in the positive zone. Stochastic is moving down in neutral region, while RSI is heading upward near the overbought zone. 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	1658	1665	1674.5	1695	1700

Trade Recommendation:

BUY NCDEX November Soybean contract above 1677 with T1 at 1687, T2 at 1691. SL at 1672.

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

Markets	23.10.07	22.10.07	Change	Arrivals (Bags)			
Indore [P]	1590-1620	1590-1600	+20	4,50,000-5,00,000			
Indore [M]	1540-1560	1540-1550	+10				
Maharashtra [P]	1600-1630	1600-1620	+10	3,00,000-3,50,000			
Maharashtra [M]	1550-1580	1550-1560	+20				
Kota [P]	1630	1610	+20	1,50,000			
Kota [M]	1540-1570	1520-1550	+20				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	1652.00	1675.00	1651.00	1674.50	1657.00	+17.50
NCDEX	Dec	1694.00	1715.50	1694.00	1715.00	1698.00	+17.00
NCDEX	Jan	1723.00	1744.50	1721.00	1743.50	1726.50	+17.00

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■ MUSTARD

■ Oct 24th, 2007

SPOT MARKETS:

At Jaipur and Agra prices of Mustard seed condition improved from the Monday's level on good demand ahead of festivals against slightly lower arrivals. While prices eased at Delhi markets on increased arrival against normal demand. In Alwar, prices stood steady on normal demand-supply situation. Non-condition seed prices at Sri Ganganagar, improved on Tuesday amidst normal demand against lower arrival. Overall arrivals declined from the Monday's level of 18,000-19,000 bags to 17,000-17,500 bags, which further aided to the bullishness. Expectation of lower production this year besides sowing and festive demand coupled with lower stock position with NAFED and reportedly lower stock position in markets is also supported the sentiment. Meanwhile, sowing is picking up gradually in Punjab & UP, whereas the sowing is lagging in Rajasthan due to insufficient monsoon rains and lack of proper soil moisture, reported.

FUTURES MARKET: -

NCDEX Mustard seed futures traded range bound with firm bias. November contract opened firm at Rs 463.50/20 Kg against previous close of Rs 463.00/20 Kg and tested a low of Rs 461.70/20 Kg. Contract then traded up on buying interest testing a high of Rs 464.50/20 Kg before it closed at Rs 463.70/20 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 doji like candlestick is formed indicating indecisive market. MACD and EMA remains firm for the medium-term. MACD remains in the positive territory. Stochastic is moving down while RSI is flat in the neutral region. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	461	462	463.7	468	469

Trade Recommendation:

BUY Nov above 464 with T1 at 466 and T2 at 467. SL at 463.

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

Markets	23.10.07	22.10.07	Change	Arrivals (Bags)
Jaipur (C)	2270	2250	+20	15000
Alwar(C)	2170	2170	Nil	1500
Delhi(C)	2250	2275	-25	1000
Agra(C)/Katchi Ghani	2475	2425	+50	-
Sri Ganganagar (NC)	1875	1870	+5	150
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	463.50	464.50	461.70	463.70	463.00	+0.70
NCDEX	Dec	468.50	470.60	467.60	469.00	468.95	+0.05
NCDEX	Jan	473.40	474.40	471.65	472.65	472.15	+0.50

■ GROUNDNUT

■ Oct 24th, 2007

SPOT MARKET: -

Amidst increased arrival pressure after Dushera and normal demand, the prices of groundnut seed and oil declined during the Tuesday's trade. The prices of groundnut seeds for different qualities declined from the Monday's level of Rs 410-462 per 20 Kg to 410-462 per 20 Kg in different market of Gujarat. In Rajkot market groundnut oil quoted down from the Monday's level of Rs 612-613/10 Kg to Rs 604-605/10 Kg. Sources revealed most of the mills start crushing and some are likely to start soon, which also pressurizing the prices. However, expectation of export opportunity is seen restricting the downside to some extent. 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.

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

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