

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 25th, 2007

SPOT MARKETS:

Soybean prices improved further across the cash market on good physical demand despite of huge arrival pressures of Kharif harvest. Supportive overseas market (CBOT) as well as continuing demand for soy meal in domestic market also lent support to the beans prices besides firmness in edible oil. Sources revealed that due to higher parity at prevailing prices millers / crushers remained active buyers, which is boosting the prices. Involvement of stockists also boosted the sentiment. It was also reported that due to sharp increase in global prices of Palm and Soy oil will limit the imports next month and boost the domestic edible oil prices due to lower stocks with the country and consequently boost the seeds prices. Overall arrivals increased across the markets from 9-10 lakh bags to 12-13 lakh bags. Meanwhile, Argentina the world's third soybean producer and exporter after US and Brazil has exported 1,477,044 MT of soybean in Aug'07, up 153% from 584,401 MT exported in Aug'06.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean futures opened firm at Rs 1676.00/qrtl against the previous close of Rs 1674.50/qrtl. Contract then traded up on increased buying interest testing a high of Rs 1707.00/qrtl before it closed at Rs 1688.00/qrtl on profit taking at higher level.

PRICE DRIVERS:

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

WEATHER:

SW monsoon is withdrawn from NW India, favours harvesting.

TECHNICALS: -

Candlestick chart pattern shows tentativeness at higher level. Closing prices is well above the short-term EMAs which favours bulls. MACD is rising steadily in the positive zone favouring bulls. 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	1665	1676	1688	1707	1715

Trade Recommendation:

BUY NCDEX November Soybean contract above 1682 with T1 at 1692, T2 at 1697. SL at 1677.

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

Markets	24.10.07	23.10.07	Change	Arrivals (Bags)			
Indore [P]	1630-1650	1590-1620	+30	6,00,000-7,00,000			
Indore [M]	1580-1600	1540-1560	+40				
Maharashtra [P]	1650	1600-1630	+20	3,50,000-4,00,000			
Maharashtra [M]	1610-1620	1550-1580	+40				
Kota [P]	1650-60	1630	+30	1,75,000-2,00,000			
Kota [M]	NA	1540-1570	-				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	1676.00	1707.00	1676.00	1688.00	1674.50	+13.50
NCDEX	Dec	1716.00	1744.00	1716.00	1727.00	1714.50	+12.50
NCDEX	Jan	1745.00	1767.00	1745.00	1749.00	1741.50	+7.50

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MUSTARD

Oct 25th, 2007

SPOT MARKETS:

Mustard seed condition improved further across the markets from Tuesday's level despite of improved arrival on good physical demand and expectation of lower acreage / production this year. Sources revealed that farmers may shift from mustard to wheat and pulses due to lucrative prices for wheat and pulses announced buy govt. Also sowing slack in Rajasthan due to lack of soil moisture following deficient rains during monsoon. Meanwhile, NAFED is likely to sell mustard seed from 24-25th Oct. to local crushers to ease shortage during festivities. Overall arrivals improved from the Tuesday's level of 17,000-17,500 to 18,000-23,000 bags as stockists offloaded their inventories at higher prices. Further, lower stock position with NAFED and stockists is also seen supporting the sentiment.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. November contract opened firm at Rs 464.90/20 Kg against previous close of Rs 463.65/20 Kg and tested a low of Rs 464.30/20 Kg. Contract then traded up on increased buying interest testing a high of Rs 469.10/20 Kg before it closed at Rs 466.90/20 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: -

Candlestick chart pattern shows firmness in market. Closing prices is above the short-term EMAs indicating firmness in prices. MACD is moving flat in positive territory. Stochastic is moving down while RSI is heading up in the neutral region. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	462	463	466.9	471	472

Trade Recommendation:

BUY Nov above 465 with T1 at 468 and T2 at 469. SL at 463.5.

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

Markets	24.10.07	23.10.07	Change	Arrivals (Bags)
Jaipur (C)	2280-85	2270	+15	15000-20000
Alwar(C)	2170-80	2170	+10	1200
Delhi(C)	2270	2250	+20	1000
Agra(C)/Katchi Ghani	2450	2475	-25	-
Sri Ganganagar (NC)	1925-30	1875	+55	700
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	464.90	469.10	464.30	466.90	463.65	+3.25
NCDEX	Dec	470.00	474.00	469.90	471.85	468.80	+3.05
NCDEX	Jan	473.80	475.95	473.20	473.15	472.60	+0.55

■ GROUNDNUT

■ Oct 25th, 2007

SPOT MARKET: -

Amidst marginally lower arrival and good physical demand ahead of festivals, the prices of groundnut seed and oil improved during the Wednesday's trade. The prices of groundnut seeds for different qualities improved from Rs 410-462 per 20 Kg to Rs 410-466 per 20 Kg in different market of Gujarat. In Rajkot market groundnut oil quoted up from the Wednesday's level of Rs 604-605/10 Kg to Rs 611-612/10 Kg. 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 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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