

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 30th, 2007

SPOT MARKETS:

Soybean prices improved further across the cash market on good physical demand as well as continuing good demand for soymeal at US \$ 363-365/MT FAS despite of huge arrival pressures of fresh beans. Firmness in edible oils also lent support to the beans prices. Millers / Crushers remained active in the market on attractive parities at prevailing prices. However, a higher oilseeds estimate by COOIT is seen restricting the upside on Monday. As per the COOIT (Central Organisation of Oil Industry and Trade), country is expected to produce 168.3 lakh tonnes of oilseeds in Kharif'07, up 25 per cent from 134.5 lakh tonnes a year earlier. Earlier COOIT estimated 151.5 lakh tonnes of oilseed production in its 1st advance estimate on Sept. 11th. It estimated soybean output to be 94.6 lakh tonnes against 79.6 lakh tonnes last year. Overall arrivals recorded over 14 lakh bags on Monday.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. November contract of soybean-opened firm with a small gap up at Rs 1729.50/qrtl against the previous close of Rs 1728.00/qrtl. Contract then traded up on increased buying interest testing a high of Rs 1754.00/qrtl before it closed at Rs 1750.50/qrtl.

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SW monsoon is withdrawn from NW India, favours harvesting.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: -

Candlestick chart pattern shows firmness in prices. Prices breached the channel, which reflects further firmness. MACD and EMA remains firm for the medium-term. Overall the trend remains up. Both Stochastic and RSI is moving upward in overbought zone. So a correction from these levels cannot be ruled out. Market is expected to trade up following steady to firm opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	1739	1743	1750.5	1786	1792

Trade Recommendation:

BUY NCDEX November Soybean contract above 1752 with T1 at 1760, T2 at 1765. SL at 1748.

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

Markets	29.10.07	27.10.07	Change	Arrivals (Bags)			
Indore [P]	1680-1715	1680-1700	+15	7,25,000-7,50,000			
Indore [M]	1650-1660	1650	+10				
Maharashtra [P]	1720-1740	1720-30	+10	4,25,000-4,50,000			
Maharashtra [M]	1660-1690	1660-1670	+20				
Kota [P]	1700-1710	1690-1700	+10	2,00,000-2,50,000			
Kota [M]	1630-1640	1630-1640	Nil				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	1729.50	1754.00	1729.50	1750.50	1728.00	+22.50
NCDEX	Dec	1761.50	1783.00	1761.50	1779.00	1759.00	+20.00
NCDEX	Jan	1780.50	1805.00	1780.50	1803.00	1777.50	+25.50



■ MUSTARD

■ Oct 30th, 2007

SPOT MARKETS:

Mustard seed prices traded mostly firm across the major cash markets on good physical demand ahead of festivities against lower arrivals. Reportedly, expectation of lower production this Rabi season further added to bullishness. At Jaipur and Alwar mustard seed condition prices went up by Rs 25-30/qlt while prices eased in Delhi markets on increased arrivals against normal demand. Non-condition seed prices at Sri Ganganagar also went up by Rs 10/qlt. Reportedly, farmers are shifting from mustard to other lucrative crop like barley, wheat and pulses and consequently, a lower mustard seed output is expected this year, which is boosting the mustard prices. However, stockists offloaded their stocks at higher prices which is seen restricting the upside and pressurized the prices to some extent on Monday. Overall arrival increased from Saturday's level of 12000-12500 to 14000-20000 bags on Monday.

FUTURES MARKET: -

NCDEX Mustard seed futures traded weak. November contract opened firm at Rs 482.90/20 Kg against previous close of Rs 481.40/20 Kg and tested a low of Rs 481.65/20 Kg. Contract then traded up on increased buying interest testing a high of Rs 486.10/20 Kg before it closed at Rs 482.40/20 Kg on profit taking.

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 Raiasthan.

TECHNICALS: -

Candlestick chart pattern shows weakness in prices. MACD and EMA remains firm for the medium-term. MACD is rising steadily in positive territory. Stochastic is rising while RSI is moving flat 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	480	481	482.4	487	488

Trade Recommendation:

BUY Nov above 483 with T1 at 485 and T2 at 486. SL at 482.

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

Markets	29.10.07	27.10.07	Change	Arrivals (Bags)
Jaipur (C)	2370-75	2350	+25	10000-15000
Alwar(C)	2300	2250-70	+30	1500-2000
Delhi(C)	2320	2340	-20	1500-2000
Agra(C)/Katchi Ghani	NA	2475-2500	-	-
Sri Ganganagar (NC)	2000-10	1970-2000	+10	700
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Nov	482.90	486.10	481.85	482.40	481.40	+1.00
NCDEX	Dec	489.00	492.55	487.55	488.00	487.50	+0.50
NCDEX	Jan	492.00	495.70	489.25	490.00	490.60	-0.60

■ GROUNDNUT

■ Oct 30th, 2007

SPOT MARKET: -

Amidst improved demand ahead of festivities and restricted arrivals in the market coupled with firmness in other edible oils, the prices of groundnut seed and oil shot up during the Monday's trade. The prices of groundnut seeds for different qualities improved from the Saturday's level of Rs 410-478/20 Kg to Rs 410-488/20 Kg in different market of Gujarat. In Rajkot market groundnut oil also improved from Rs 626-627/10 Kg to Rs 633-634/10 Kg. Reportedly good demand and 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 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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