

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Oct 12th, 2007

SPOT MARKETS:

Amidst good physical demand against lower arrivals prices of soybean shot up during the Thursday's trades. Lower arrivals across the market due to new moon (Amavasya) aided to the bullish tone. Overall arrivals reported at 5,00,000-5,20,000 bags during the Thursday. Further, firm sentiments of soymeal at ports following firmness in CBOT and expectation of higher exports of soymeal during oilmeal marketing year 2007-08 boosted the sentiment besides the news that South Korea would import 45,000 tonnes of Indian soymeal for Jan-Feb 15th delivery. As per the Soybean Processors Association of India, soymeal exports for 2007-08 oilmeal marketing year is likely to shot up by 4-4.5 MMT on the back of bumper crop this year. Consequently millers / crushers remained active in the market. However, in short-term increasing arrival pressure as farmers need money for rabi cultivation and ahead of festivals (Idd, Dushera and Diwali) may pressurize the prices.

FUTURES MARKET: -

Soybean futures at NCDEX traded weak. November contract of soybean futures opened firm at Rs 1635.00/qrt against the previous close of Rs 1631.00/qrt and traded up initially testing a high of Rs 1648.00/qrt. However, prices tumbled thereafter on increased selling pressure at higher level and tested a low of Rs 1621.00/qrt before it closed at 1630/qrt.

PRICE DRIVERS:

1. Firmness on CBOT
2. Marked lower arrivals of beans.
3. Firm soymeal sentiments.
4. Harvest picking up in MP and Maharashtra

WEATHER:

SW monsoon is withdrawn from NW India, favourable for harvesting.

TECHNICALS: -

Candlestick chart pattern shows weakness in prices. Long upper shadow reflects selling pressure at higher level. MACD and EMA remains firm for the medium term. Stochastic is moving up while RSI is flat in the neutral zone. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX -Nov	1585	1593	1630	1634	1640

Trade Recommendation:

SELL NCDEX November Soybean contract below 1622 with T1 at 1608, T2 at 1600. SL at 1629.

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

Markets	11.10.07	10.10.07	Change	Arrivals (Bags)			
Indore [P]	1600	1540-60	+40	1,50,000-2,00,000			
Indore [M]	1520-30	1480-90	+40				
Maharashtra [P]	1575-80	1530	+50	2,00,000-2,50,000			
Maharashtra [M]	1520-30	1400-1470	+60				
Kota [P]	1580-90	1530	+60	60,000-70,000			
Kota [M]	1480-1520	1480	+40				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1615.00	1625.00	1600.00	1605.00	1609.00	-4.50
NCDEX	Nov	1635.00	1648.00	1621.00	1630.00	1631.00	-1.00
NCDEX	Dec	1670.00	1681.00	1650.00	1662.00	1665.50	-3.50

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MUSTARD

Oct 12th, 2007

SPOT MARKETS:

Conditioned Mustard seed prices at Alwar, Delhi and Agra improved further on good physical demand despite slightly improved arrivals, while at Jaipur prices declined amidst normal demand against increased arrivals. At Sri Ganganagar, non-conditioned seed prices also remained firm during the Thursday's trade. Good demand from expellers reported in the market ahead of festivals (Idd, Dushera and Diwali) besides the sowing demand. Firmness in domestic exchanges also lent support to the prices. Meanwhile, the acreage of Mustard seed in Rajasthan is expected to shot up by 3.2 mln ha against targeted 3 mln ha earlier despite scanty rains in many mustard growing areas due to ample soil moisture, Sate Agriculture Minister, Rajasthan. He also stated that 2-3 spell of winter rains would yield bumper harvest. Last year Mustard was sown in an area of 2.7-2.9 mln ha on which output of around 2.75-3.25 mln ha was estimated. Overall arrival improved from the Wednesday's level of 10,000-12,000 bags to 10,000-17,000 bags.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. **November** contract opened firm at Rs 458.30/20 Kg against previous close of Rs 457.80/20 Kg and tested a low of Rs 457.55/20 Kg. Contract then recovered on buying interest testing a high of Rs 461.85/20 Kg before it closed at Rs 458.50/20 Kg.

PRICE DRIVERS:

1. NAFED to import more edible oils.
2. Sowing demand for mustard seed.
3. Festive & marriage season demand for edible oils.
4. Expectation of delayed sowing in Rajasthan

WEATHER: -

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

TECHNICALS: -

Candlestick chart pattern shows indecisive market. Long upper shadow reflects selling pressure at higher level. MACD and EMA remains firm for the medium-term. Stochastic is moving up while RSI is flat in the neutral region. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Nov	451	452	458.5	459	460

Trade Recommendation:

SELL Nov below 457 with T1 at 454 and T2 at 453. SL at 458.5.

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

Markets	11.10.07	10.10.07	Change	Arrivals (Bags)
Jaipur (C)	2240-50	2180	-30	10,000-15,000
Alwar(C)	2160-70	2110-20	+50	1000
Delhi(C)	2250	2230	+20	700
Agra(C)/Katchi Ghani	2300-2350	2300-2310	+40	-
Sri Ganganagar (NC)	1915-20	1890-95	+25	1000
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	456.50	458.45	455.25	455.45	455.60	-0.15
NCDEX	Nov	458.30	461.85	457.55	458.50	457.80	+0.70
NCDEX	Dec	462.00	465.60	460.80	462.20	461.65	+0.55

■ GROUNDNUT

■ Oct 12th, 2007

SPOT MARKET: -

Amidst good demand from expellers the prices of groundnut seed and oil improved during the Thursday's trade. The prices of groundnut seeds for different qualities improved from the Wednesday's level of Rs 410-495 per 20kg to Rs 410-498 per 20 Kg in different market in Gujarat. In Rajkot market groundnut oil quoted up at Rs 707-8 per 10 Kg against Rs. 706 per 10 kg on Wednesday. Firm sentiments in other oilseeds and upcoming festival demand also lent support to the groundnut complex. However, good crop conditions and steadily increasing arrivals is likely to pressurize the groundnut complex in major trading centers in near term. 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 in prices. 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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