

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Dec. 20, 2007

### SPOT MARKETS:

Overall soybean was traded firm at spot markets following firm soy oil at CBOT. However, the plant delivery price and mandi price of soybean at Kota were marginally down. Overall daily arrivals of the major markets decreased to 3.00-3.10 bags on Wednesday from 3.50-3.75 lakh bags on Tuesday.

### FUTURES MARKET: -

Soybean futures at NCDEX traded weak on Wednesday. January contract opened weak at Rs.1911.50/qtl against previous close of Rs.1920.50/qtl. Contract then traded in the range of Rs.1910.00-1922.00/qtl before it closed at Rs.1917.00/qtl.

### PRICE DRIVERS:

1. Marked lower arrivals of beans
2. Weakness at CBOT
3. Good demand
4. Increased demand of soybean from China & Southeast Asia
5. Attractive parities to plants/crushers
6. Higher soymeal exports

### WEATHER:

Mainly favorable conditions for mature soybeans and for the harvest through west-central India at this time.

### TECHNICALS: -

Soya bean candlestick formation reflects narrow range of trading. Prices are range-bound between 1900 - 1930 levels during the last few days. Volumes have declined significantly while open interest is steady. Oscillators are declining in the overbought territory denoting some near-term weakness. However this weakness should be considered purely technical within the overall bullish scenario of the market. Prices above EMA's and increasing MACD in the positive zone support the bullish tone of the market. Soya bean futures are likely to face strong resistance around 1932 levels before testing new highs.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1892	1905	1917	1932	1947

### Trade Recommendation:

**BUY** NCDEX Jan. Soybean contract around 1912 with T1 at 1925 T2 at 1937. SL below 1906.

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

Markets	19.12.07		18.12.07	Change	Arrivals (Bags)		
Indore [P]	1910-33		1910-20	+13	1,00,000-1,50,000-bags		
Indore [M]	1835-85		1850	+35			
Maharashtra [P]	1930-60		1940	+20	1,00,000-1,25,000 bags		
Maharashtra [M]	1840-90		1860-1910	+80			
Kota [P]	1870-1900		1890-1910	-10	30,000-35,000 bags		
Kota [M]	1800-40		1850	-10			
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	1911.50	1922.00	1910.00	1917.00	1920.50	-3.50
NCDEX	Feb	1940.00	1945.00	1931.00	1938.00	1944.50	-6.00



## MUSTARD

Dec 20, 2007

### SPOT MARKETS:

Mustard seed traded firm at spot markets despite weak local/regional exchanges on Wednesday. At Jaipur the spot prices were steady at Rs.2435/qrtl on Wednesday, while overall arrivals declined to 10,000-13000 bags on Wednesday compared to 10,000-13300 bags on Tuesday. Consistent lower arrivals are still supporting the mustard seed prices. However, India's rapeseed crop is showing minor signs of recovery after receiving rains in the major growing areas of Rajasthan and Madhya Pradesh. According to the head of the country's largest rapeseed oil extraction company the overall production is expected to be lower this year due to a sharp fall in acreage. Crop prospects are expected to marginally improve due to the late showers in Rajasthan and Madhya Pradesh and the production is estimated at around 5.2 million to 5.3 million metric tons against the previous estimates of less than 5.0 million tons. India's rapeseed production this year is around 5.8 million tons compared to 6.8 million tons the previous year. India's rapeseed production is crucial for determining the country's overall edible oil imports as the oilseed has higher oil content.

### FUTURES MARKET: -

NCDEX Mustard seed futures traded weak on Wednesday. January contract opened firm at Rs.474.75/20 kg against previous close of Rs.474.20/20 kg and tested a high of Rs 475.00/20 kg and a low of Rs.469.40/20 kg before it closed at Rs.470.75/20 Kg.

### PRICE DRIVERS:

1. Marked lower arrivals
2. Decrease in acreage
3. Expectations of lower production this year
4. Lower stock with NAFED & in physical markets.

### WEATHER: -

No major concerns for Rapeseed in the India crop regions.

### TECHNICALS: -

Mustard chart shows a dark candle denoting the dominance of bears in the market. Selling pressure weighs on the market and prices breach the support of 470 levels during the day. Volumes have declined but are compensated with the increase in open interest supporting the weak tone of the market. RSI is dipping while stochastic is increasing in the neutral region supporting both way movements. In intra day chart prices have broken below triangle formation targeting 466 levels on the downside. Prices below EMA's and downtrend line support further weakness and prices are likely to retest the supports of 466 levels in the coming session.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	466	468	470.75	474	475

### Trade Recommendation:

**SELL** Jan below 473 with T1 at 470 and T2 at 468  
SL at 474.5

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

Markets	19.12.07	18.12.07	Change	Arrivals (Bags)
Jaipur (C)	2435	2435	-	9,000-10,000 bags
Alwar(C)	2340-45	2330-40	+5	700-800 bags
Delhi(C)	2415	2400	+15	150-200
Agra(C)/Katchi Ghani	2450/5600	2425-2500/5600	+25	-
Sri Ganganagar (NC)	2050	2040	+10	150-200 bags
Kota (NC)		-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	474.75	475.00	469.40	470.75	474.20	-3.45
NCDEX	Feb	477.00	477.95	473.75	474.95	476.95	-2.00

## ■ GROUNDNUT

■ Dec 20, 2007

**SPOT MARKET: -**

Spot groundnut complex witnessed firm trading on Wednesday amidst due to good physical demand. However, lower Rabi acreage of 2.41lha against 2.79 last year is likely to support the prices in near term besides news report that country has resumes groundnut oil exports. Meanwhile, country has resumed exports of groundnut oil after a long gap of around 2 years, on the back of increased Kharif output. However, the volumes shipped may remain thin because of low profitability on the back of lower groundnut prices in international markets, which further pressured the domestic prices as the demand from exporters remained subdued in the market. However, around 15,000-20,000 tonnes have already been contracted and most shipments so far are destined for European and Chinese ports in containers as well as in bulk. Export orders signed so far include delivery of 5,000 tonne of groundnut oil at a price of \$1,745/MT, basis cost and freight, to be delivered to Dunkirk port in France. Expectation of higher meal export this year following lower crop globally and bumper production this Kharif season in the country is also expected to support the sentiment. The prices of groundnut seeds for different qualities were firm on Wednesday and traded between the price range of Rs.521–522 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.672–673 per 10 kg on Wednesday.

The Solvent Extractors' Association of India has just compiled the data for export of oil meals for the month of October 2007 and reported at 200 tons. During April to October 2007, around 12,475 MT of groundnut meal was exported compare to 12,275 MT of groundnut meal in April-September 2007 period. No exports were witnessed for the month of November 2007.

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