

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 19, 2007

SPOT MARKETS:

Soybean was traded weak, while marginal improvement in the Maharashtra mandi price could be witnessed, during Tuesday's trade across the all the major cash markets following weak CBOT and BMD coupled with domestic futures market. Overall daily arrivals of the major markets improved to 3.50-3.75 lakh bags on Tuesday from 3.00-3.35 lakh bags on Monday. Weakness in crude oil at international market may have influenced the domestic spot market.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Tuesday. January contract opened weak at Rs.1900.00/ctl against previous close of Rs.1909/ctl. Contract then traded in the range of Rs.1893.00-1923.50/ctl before it closed at Rs.1921.50/ctl.

PRICE DRIVERS:

1. Weakness at CBOT
2. Marked lower arrivals of beans
3. Good demand
4. Reduced demand of soybean from China
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 chart denotes buying interest presuming in the market. However caution is advised to the bulls as firm close not supported with volumes. Prices holding above 5 and 9 Day's EMA suggests near -term firmness. RSI and stochastic are increasing in the overbought territory denoting there is scope for further up move. Prices can attempt towards 1950 levels before any significant correction starts. Rising MACD in the positive territory shows the inherent bullish tone of the market. Soya bean prices are likely to attempt 1950 levels before profit booking drags the market down.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1888	1905	1921.5	1932	1947

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

Markets	18.12.07	17.12.07	Change	Arrivals (Bags)			
Indore [P]	1910-20	1920-50	-30	1,50,000-1,75,000-bags			
Indore [M]	1850	1850-80	-30				
Maharashtra [P]	1940	1950-60	-20	1,00,000-1,50,000 bags			
Maharashtra [M]	1860-1910	1850-1900	+10				
Kota [P]	1890-1910	1900-10	-	40,000-50,000 bags			
Kota [M]	1850	1800-1850	-				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1920.00	1920.00	1895.50	1910.50	1912.50	-2.00
NCDEX	Jan	1900.00	1923.50	1893.00	1921.50	1909.00	+12.50



MUSTARD

Dec 19, 2007

SPOT MARKETS:

Mustard seed traded mixed at local/regional markets and exchanges on Tuesday. At Jaipur the spot prices were firm at Rs.2435/qlt on Tuesday compared to Rs. 2430/qlt on Monday, while overall arrivals declined to 10,000-13300 bags on Tuesday compared to 10,000-13,850 bags on Monday. Hence 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. According to the latest government data, India's rapeseed acreage is down around 12% as of first week of December at 5.59 million hectares.

FUTURES MARKET: -

NCDEX Mustard seed futures traded weak on Tuesday. January contract opened weak at Rs.475.00/20 kg against previous close of Rs.475.70/20 kg and tested a high of Rs 475.95/20 kg and a low of Rs.471.00/20 kg before it closed at Rs.473.70/20 Kg.

PRICE DRIVERS:

1. Marked lower arrivals
2. Mustard acreage down around 12%
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 small dark candle with longer lower shadow signifying the bearish tone of the market. Oscillators are mixed with RSI dipping whereas stochastic increasing in the neutral zone supporting both way movement. Prices have closed above 5 and 9 Days EMA suggesting near-term firmness which is likely to be short-lived. The volumes traded support the weaker closing of the market. MACD is declining in the negative territory showing the increasing bearish momentum. Prices are holding below the downtrend line and can again test the supports of 470 levels. Mustard futures are likely to trade range bound to weak in the coming session.

Mustard Seed 0801(NCRMSF8)2007/12/18 - Daily B:473.65 A:473.70
O 475.00 H 475.95 L 471.05 C 473.70 V 24,630 I 55,430 -2.8



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	470	472	473.7	476	477

Trade Recommendation:

SELL Jan below 475 with T1 at 471 and T2 at 469. SL at 477.

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

Markets	18.12.07	17.12.07	Change	Arrivals (Bags)
Jaipur (C)	2435	2430	+5	10,000-12,000 bags
Alwar(C)	2330-40	2325-30	+10	1000-1100 bags
Delhi(C)	2400	2410	-10	-
Agra(C)/Katchi Ghani	2425-2500/5600	2500	-	-
Sri Ganganagar (NC)	2040	2050	-10	150-200 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	462.60	465.50	459.90	464.00	462.45	+1.55
NCDEX	Jan	475.00	475.95	471.00	473.70	475.70	-2.00

■ GROUNDNUT

■ Dec 19, 2007

SPOT MARKET: -

Spot groundnut complex witnessed range bound trading on Tuesday amidst firm due to fluctuation in 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 weak on Tuesday and traded between the price range of Rs.522–523 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded weak at Rs.675--676 per 10 kg on Tuesday.

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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