

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 25, 2007

SPOT MARKETS:

Soybean was traded range bound at spot markets on Monday. Overall daily arrivals of the major markets were 1.65 lakh bags on Monday. Indore soybean spot market price was marginally down at price level of Rs.1975/1990 per quintal compared to Saturday's price level of Rs.2000/qtl. In Maharashtra the soybean plant owners have called on strike to protest against the inconvenience faced in lifting the soybean meal/DOC from the plants. At CBOT soybean futures rallied setting new 34-year contract highs from same long term factor, supportive underlying fundamentals and technical strength kept bullish traders enthused. Apart from it higher prices for Malaysian palm oil on supply concerns and higher crude oil prices were supportive factors to the market at CBOT. However, January meal contract could not end up as expected at CBOT. The absence of any significant selling helped extend the gains, as sellers remain unwilling to stand in front of the bullish trend. Overall activity lacked intensity despite the double-digit gains, with some traders evening out positions ahead of an extended break during the holidays.

FUTURES MARKET: -

Soybean futures at NCDEX traded weak on Monday. January contract opened firm at Rs.1974.00/qtl against previous close of Rs.1973.00/qtl. Contract then traded in the range of Rs.1958.00-1974.00/qtl before it closed at Rs.1961.50/qtl.

PRICE DRIVERS:

1. Demand from plants/crushers
2. Attractive parities to plants/crushers
3. Higher soymeal exports
4. Marked lower arrivals of beans
5. Firm CBOT
6. Good demand from plants and crushers

WEATHER:

Favorable conditions for the late soybean harvest through west-central India at this time.

TECHNICALS: -

Soya bean futures as expected noticed stiff resistance around 2000 levels and declined thereafter. However the current correction should be considered good buying opportunity for the traders, as prices will firm up again and attempt above 2000 levels. RSI is declining after reaching the overbought territory supporting near-term weakness. Open interest remains steady while volumes have declined significantly not supporting the weaker close. Increasing MACD in the positive territory denotes that the weakness will be short-lived. Soya bean prices are likely to be range-bound with chances of firm to steady opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	1962	1975	1986.5	2000	2020

Trade Recommendation:

BUY NCDEX Feb. Soybean contract around 19680 with T1 at 1998 T2 at 2010. SL below 1972.

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

Markets	24.12.07	22.12.07	Change	Arrivals (Bags)
Indore [P]	1975-1990	2000	-10	1,00,000-1,25,000 bags
Indore [M]	1915-1970	1850-1900	+70	
Maharashtra [P]	Strike, plants	2000-20	Strike, plants	Strike called on by plants
Maharashtra [M]	Strike, plants	1950	Strike, plants	
Kota [P]	1950-60	1940-60	-	30,000-40,000 bags
Kota [M]	1875-1910	1890	+20	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	1974.00	1974.00	1958.00	1961.50	1973.00	-11.50
NCDEX	Feb	1995.00	1999.00	1979.00	1986.50	1993.00	-6.50



MUSTARD

Dec 25, 2007

SPOT MARKETS:

Mustard seed traded steady to firm at spot market on Monday. However, the local/regional exchanges (Hapur, Sirsa & Delhi) remained weak on the day. At Jaipur the spot prices were Rs.2440/qrtl on Saturday. Overall arrival at the madis was 13700 bags on Monday compared to 11500 bags on Saturday. According to a senior official of the National Agriculture Cooperative Marketing Federation (Nafed), the government agency for price support scheme (PSS) in oilseeds, the procurement of mustard is likely to be low in the rabi marketing season next year, though the minimum support (MSP) of mustard has been raised from Rs.1,715 to Rs.1,800 a quintal. Nafed is currently focusing on packaged oil. Presently the mustard prices are in the range of Rs.2,200-2,300 a quintal. Mustard sowing in the ongoing rabi season is lagging behind at 5.72 million hectares (as on Dec 14) against 6.42 million hectares last year and the production is likely to drop this year. Nafed at present has a stock of 350,000 tonnes of mustard seed. It is selling 30,000 tonnes every month as seed while processing another 40,000 tonnes into oil.

FUTURES MARKET:

NCDEX Mustard seed futures traded weak on Saturday. January contract opened firm at Rs.471.00/20 kg against previous close of Rs.470.05/20 kg and tested a high of Rs 473.00/20 kg and a low of Rs.468.20/20 kg before it closed at Rs.468.90/20 Kg.

PRICE DRIVERS:

1. Weak regional and local exchanges
2. Marked lower arrivals
3. Decrease in acreage
4. Expectations of lower production this year
5. Lower stock with NAFED & in physical markets.

WEATHER:

No major concerns for Rapeseed in the India crop regions.

TECHNICALS:-

Long dark candle in mustard seed futures shows the prevalent bearish tone of the market. Prices open down with a gap and selling pressure weighs on the market. Open interest remains steady while volumes decline. Dipping oscillators in the oversold territory denote there is room for further downside and prices are likely to test the supports of 464 levels. Buying support at lower levels should help the market to recover. Mustard futures are likely to extend the weak tone with chances of late recovery in the coming session.

Mustard Seed 0802(NCRMSG8)2007/12/24 - Daily B:469.30 A:468.20 O 474.00 H 474.90 L 468.80 C 469.30 V 27,520 I 121,51



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	464	466	469.3	474	475

Trade Recommendation:

SELL Feb below 470 with T1 at 467 and T2 at 465. SL 471.5

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

Markets	24.12.07	22.12.07	Change	Arrivals (Bags)
Jaipur (C)	2435-40	2440	-	10,000-12,000 bags
Alwar(C)	2340	2350	-10	800-1,000 bags
Delhi(C)	2410	2410	-	150-200 bags
Agra(C)/Katchi Ghani	2550-2600/5600	2575/5650	+25	-
Sri Ganganagar (NC)	2030	2020-25	+5	400-500bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	467.50	468.00	460.00	460.70	468.90	-8.20
NCDEX	Feb	474.00	474.90	468.80	469.30	476.60	-7.30

■ GROUNDNUT

■ Dec 25, 2007

SPOT MARKET: -

Spot groundnut complex witnessed firm trade on Monday, amid 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 weak on Monday at price level of Rs. 520-521 per 20 compared to the price levels of Rs.521-522 per 20 kg on Saturday in different markets of Gujarat. In Rajkot market groundnut oil was traded weak at the price level of Rs.670-671 on Monday compared to the price of level of Rs. 673-674 per 10 kg on Saturday.

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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