

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 04, 2007

SPOT MARKETS:

Soybean prices witnessed steady to weak sentiment on Monday amidst weak global cues and weakness in edible oil. However, continuing good demand from plants on expectations of higher soymeal export this season coupled with good profitability to plants/crushers for continued crushing is seen limited the downside. Lower arrivals at around 4 lakh bags compared to Saturday's 4.5-4.75 lakh bags further supported the sentiment. Stockists' activity remained subdued in the market as they are expecting prices to come down further before fresh buying. Meanwhile, South Asian soybean importers have diverted to India due to expected lower soybean production in the US, which contributes about 35% of world's production and continuing drought condition in China which adversely affected the soy crop and production coupled with bumper soybean output in the country. Country's exporters are hopeful to export more than half of the estimated 9 mil tonnes for 2006-07 production.

FUTURES MARKET: -

Soybean futures at NCDEX witnessed lackluster trade. January contract opened weak at Rs 1791/qrtl against the previous close of Rs 1795/qrtl. Contract then traded in the range of Rs 1785-1806/qrtl before it closed at Rs 1792/qrtl.

PRICE DRIVERS:

1. Weak global cues
2. Attractive parities to plants/crushers
3. Steady to weak soybean oil;
4. Steady to slightly firm soymeal at ports
5. Expectation of higher soymeal exports in 2007-08
6. Lower crop in US & China
7. Marked lower arrivals of beans

WEATHER:

Dry weather over growing regions favours harvesting.

TECHNICALS: -

Candlestick chart pattern shows indecisive market. MACD and EMA remains firm for the medium-term. Both stochastic and RSI is moving down in neutral zone. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1757	1765	1792	1800	1810

Trade Recommendation:

SELL NCDEX Jan. Soybean contract below 1789 with T1 at 1779 T2 at 1775. SL at 1794.

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

Markets	03.12.07	01.12.07	Change	Arrivals (Bags)			
Indore [P]	1770-80	1770-80	-	1,90,000-2,00,000 bags			
Indore [M]	1680-1720	1680-1730	-10				
Maharashtra [P]	1770-90	1775-90	-	1,45,000-1,50,000 bags			
Maharashtra [M]	1710-55	1750-70	-15				
Kota [P]	1770-90	1780-90	-	43,000-50,000 bags			
Kota [M]	1680-1720	1725-30	-10				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1776.00	1788.50	1772.00	1777.50	1781.50	-4.00
NCDEX	Jan	1791.00	1806.00	1785.00	1792.00	1795.00	-3.00

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MUSTARD

Dec 04, 2007

SPOT MARKETS:

Mustard seed prices witnessed steady to slightly weak sentiment amidst weakness in regional/local exchanges tracking weak undertone in soybean and oil. However, expectation of lower production this Rabi season is seen supporting the sentiment, besides lower inventories in the market. Meanwhile, according to Solvent Extractors' Association of India's mustard seed promotion council, India's mustard seed output is expected only at around 6 MMT in 2007-08 Rabi season, due to a slower sowing pace on the back of inadequate soil moisture. However, reports of rainfall over Rajasthan region may add momentum to sowing to some extent and is also favourable for early sown crops yield. Overall arrival reported at 12,000 -12,500 bags compared to Saturday's 11,500-12,000 bags.

FUTURES MARKET: -

NCDEX Mustard seed futures traded weak. January contract opened firm at Rs 487.9/20 Kg against previous close of Rs 486.65/20 Kg. Contract then traded down on selling pressure testing a low of Rs 483.55/20 Kg before it closed at Rs 485.45/20 Kg.

PRICE DRIVERS:

1. Mustard acreage dropped around 33.5%
2. Sowing fell to 5.27 mil ha against 6.13milha last year
3. Weakness in regional exchange.
4. Expectation of lower production this year
5. Lower stock with NAFED & in physical markets.

WEATHER: -

Continuing dry weather may hinder sowing.

TECHNICALS: -

Candlestick chart pattern shows weakness in market. MACD and EMA remain weak for the medium-term. MACD entered into the negative zone. Both Stochastic and RSI is moving down in the neutral zone. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	479	480	485.45	488	489

Trade Recommendation:

SELL Jan below 485 with T1 at 483 and T2 at 482. SL at 486.

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

Markets	03.12.07	01.12.07	Change	Arrivals (Bags)
Jaipur (C)	2420-25	2425	-	8,000-10,000 bags
Alwar(C)	2330-40	2340	-	700-800 bags
Delhi(C)	2395-2400	2400	-	1000 bags
Agra(C)/Katchi Ghani	-	2525	-	-
Sri Ganganagar (NC)	2015-2035	2040-60	-25	645-700 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	478.15	479.50	476.80	478.00	479.95	-1.95
NCDEX	Jan	487.90	487.90	483.55	485.45	486.65	-1.20

■ GROUNDNUT

■ Dec 04, 2007

SPOT MARKET: -

Spot prices of groundnut complex witnessed steady to weak sentiment on Monday amidst mild demand-against improved arrivals. Weakness in other seeds and edible oil further added negative tone. However, considering the 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 tonne 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. Another cargo of 5,000 tonne is due for shipment to Europe's Rotterdam port after Dec. 10. 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 stood steady at Saturday's level of Rs 512-513 on Monday in different markets of Gujarat. In Rajkot market groundnut oil eased from the Saturday's level of Rs 670-671/10 Kg to Rs 666-667/10 Kg.

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 October 2006.

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