

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Dec. 13, 2007

### SPOT MARKETS:

Soybean traded firm during Wednesday's trade across the major cash markets amidst continuing good demand from crusher/plants due to attractive parities and expectation of higher soymeal exports this year. Firmness in soybean and meal could be witnessed also at CBOT. Arrivals of bean stood at the previous day's figure of 3.90-4.00 lakh bags as farmer stockists offloaded their inventories at higher prices. Also, With supportive USDA monthly supply and demand soy complex firmed up but the gains were limited by weakness in corn and wheat. The world soybean ending stocks for the 2007/08 season is estimated at 47.32 mmt from 49.35 mmt last month and from 61.11 mmt for 2006/07. Brazilian soybean production remains unchanged at 62 mmt while others estimation is pointing under 60 mmt. Chinese import demand had revised up to 34 mmt with a boost of 500,000 tonnes. Lower than projected usage of soy oil in US and weak demand from Biodiesel producers on depreciating profits that has raised the soy oil stocks to 2.162 billion pounds from 2.017 billion pounds. Farmers have also lowered their selling due to winter weather.

### FUTURES MARKET: -

Soybean futures at NCDEX traded weak on Wednesday. January contract opened firm at Rs.1871.00/qtl against previous close of Rs.1863.50/qtl. Contract then traded in the range of Rs. 1848.00-1874.00/qtl before it closed at Rs.1856.50/qtl.

### PRICE DRIVERS:

1. Good demand from plants & crushers
2. Attractive parities to plants/crushers
3. Higher soymeal exports
4. Lower crop in US & China
5. Marked lower arrivals of beans

### WEATHER:

Dry weather over growing regions.

### TECHNICALS: -

Soya bean candlestick formation denotes some selling interest at higher levels. Prices holding above 5 and 9 Day EMA are denoting the positive tone of the market. RSI is dipping is neutral territory while stochastics is rising in overbought territory denoting there is room for upside movement. MACD is rising in the positive zone supporting the overall bullish picture of the market. Any weakness resulting from the overbought situation should be good buying opportunity. Soya bean prices are likely to be range -bound with firm bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1835	1840	1856.5	1864	1871

### Trade Recommendation:

**BUY** NCDEX Jan. Soybean contract around 1850

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

Markets	12.12.07	11.12.07	Change	Arrivals (Bags)			
Indore [P]	1840-70	1840-60	+10	1,75,000-2,00,000-bags			
Indore [M]	1770-1820	1770-1815	+5				
Maharashtra [P]	1840-70	1845-65	+5	1,20,000-1,50,000 bags			
Maharashtra [M]	1800-40	1800-1840	-				
Kota [P]	1830-40	1830-45	-5	45,000-50,000 bags			
Kota [M]	1740-80	1750-1780	-				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1845.00	1845.00	1826.00	1835.00	1842.50	-7.50
NCDEX	Jan	1871.00	1874.00	1848.00	1856.50	1868.50	-12.00



## ■ MUSTARD

■ Dec 13, 2007

### SPOT MARKETS:

Overall mustard seed traded at weak tone at local/regional exchanges and markets on Wednesday coupled with weakness in oil prices at NBOT, KLCE and major local futures mustard seed trading markets. At Jaipur the spot prices fell to Rs.2390/qlt from previous day of Rs.2395/qlt and arrivals fell to 5000-7000 bags from previous day of 10,000-12,000 bags. However, expectation of lower mustard seed production this year supported the sentiment besides lower inventories in the market. As per recent government sources mustard was sown on around 5.59 million hectares for Oct. 1 to Dec. 6 compared with 6.34 million hectares a year earlier.

### FUTURES MARKET: -

NCDEX Mustard seed futures traded weak. January contract opened weak at Rs.471.00/20 kg against previous close of Rs.471.75/20 kg and tested a high of Rs 471.45/20 Kg and a low of Rs.467.80/20 Kg before it closed at Rs 467.95/20 Kg.

### PRICE DRIVERS:

1. Bad weather in north-western parts India
2. Mustard acreage dropped around 33.5%
3. Sowing fell to 5.27 mil ha against 6.13milha last year
4. Expectation of lower production this year
5. Lower stock with NAFED & in physical markets.

### WEATHER: -

Cold wave condition is likely to develop over plains of northwest India.

### TECHNICALS: -

Mustard chart denotes strong selling pressure and ongoing bearish tone is intact. Volumes have increased significantly and prices below 5 and 9 Days EMA support the weakness. There is strong resistance around 471 levels and failure of prices to breach this level denotes that 462-465 levels are in place on the downside. Oscillators in the oversold territory is caution to the bears. However any recovery towards 470 levels should be good selling opportunity. Mustard futures are likely to continue the weak tone in the upcoming session.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	465	467	467.9	471	474

### Trade Recommendation:

**SELL** Jan below 470 with T1 at 467 and T2 at 465.  
SL at 471.50.

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

Markets	12.12.07	11.12.07	Change	Arrivals (Bags)
Jaipur (C)	2385-90	2390-95	-5	5000-7000 bags
Alwar(C)	2280-90	2290-2300	-10	900-1000 bags
Delhi(C)	2390	2390	-	100-150 bags
Agra(C)/Katchi Ghani	2450-2500/5550	2450-2500/5600	-	-
Sri Ganganagar (NC)	1990-2010	2000	+10	450-500 bags
Kota (NC)		-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	462.55	462.55	456.80	457.00	463.10	-6.30
NCDEX	Jan	471.00	471.45	463.80	467.95	471.75	-3.80

## ■ GROUNDNUT

■ Dec 11, 2007

**SPOT MARKET: -**

Spot prices of groundnut complex witnessed firm sentiment on Wednesday amidst firm physical demands, 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 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.512-513 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.668-669 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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