

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 15, 2007

SPOT MARKETS:

Soybean traded firm during Friday's trade across the all the major cash markets following firm futures market and good demand from crusher/plants. Looking at the previous figures, arrivals of bean is declining, the overall arrivals on Friday at major market was 3.00-3.60 lakh bags as farmer stockists offloaded their inventories at higher prices. Bulk deliveries in soymeal, weakness in crude oil and gold induced traders for profit taking on ideas of market in overbought condition. Surge in dollar and confusion over 2008 soybean plantation as current prices are not lucrative enough to lure farmers also pressurized the market. However, bullish week exports sales report and anticipation for squeezing ending stock of soybean cushioned the weakness to certain extent. The weekly exports sales of soybean totaled at 972,400 tonnes against trade expectation between 600,000-700,000 tonnes, meal sales remain at 96,200 tonnes from trade expectation between 75,000-125,000 tonnes and oil sales stood at 42,100 tonnes from trade expectation between 10,000-20,000 tonnes

FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Friday. January contract opened firm at Rs.1881.00/qrtl against previous close of Rs. 1866.00/qrtl. Contract then traded in the range of Rs.1871.00-1904.00/qrtl before it closed at Rs.1901.00/qrtl.

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:

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

TECHNICALS: -

Soya bean candlestick formation denotes prevalent buying interest. Prices closed firm making new highs and supported with increase in open interest. The overall bullish scenario is intact with MACD rising in the positive territory. Oscillators in the overbought territory is caution for the bulls, however any weakness noticed should be good add on buying opportunity. Market has the strength to record further highs in the coming days. Soya bean futures are likely to continue the firm tone in the next session though there is chance of profit booking at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1870	1886	1901	1910	1930

Trade Recommendation:

BUY NCDEX Jan. Soybean contract around 1900 with T1 at 1911 T2 at 1925. SL at 1894.

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

Markets	14.12.07	13.12.07	Change	Arrivals (Bags)
Indore [P]	1875-95	1860-80	+15	1,50,000-1,75,000-bags
Indore [M]	1840-60	1800-40	+20	
Maharashtra [P]	1875-1900	1863-85	+15	1,20,000-1,40,000 bags
Maharashtra [M]	1840-90	1800-72	+18	
Kota [P]	1850-70	1840-50	+20	40,000-45,000 bags
Kota [M]	1880-90	1770-1810	+80	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1850.50	1881.00	1850.00	1881.00	1855.50	+25.50
NCDEX	Jan	1881.00	1904.00	1871.00	1901.00	1878.00	+23.00

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MUSTARD

Dec 15, 2007

SPOT MARKETS:

Overall mustard seed traded steady to firm at local/regional markets and exchanges on Friday coupled with firmness in futures market. At Jaipur the spot prices were weak at Rs.2390/qrtl on Friday compared to Rs. 2400/qrtl while arrivals stood at 10,000-12,000 bags on Friday. There were good arrivals and poor demand in the spot market. 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 is expected to marginally improved 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. The higher MSP of other commodities like wheat and pulses in comparison to mustard, by the government, this year has diverted the farmers of rapeseed growing area towards wheat at the same time unusually warm weather at the showing time kept farmers away from the oilseed.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. January contract opened firm at Rs.467.05/20 kg against previous close of Rs.468.00/20 kg and tested a high of Rs 471.00/20 kg and a low of Rs.466.50/20 kg before it closed at Rs.469.55/20 Kg.

TECHNICALS: -

Mustard candlestick formation denotes continuation of Mustard chart shows slight recovery in prices with buying coming in at lower levels. Firm close is supported well with volumes and open interest. After the recent downfall in prices, recovery was due. Oscillators in the oversold territory will support near - term recovery. MACD in the negative territory denotes the overall bearish posture of the market. Ability of prices to close above 471 levels will confirm near term recovery in prices. In intra day chart prices have broken above the down trend line. Mustard can be bought around current levels with near -term objective. Prices are likely to be range bound in the coming session with chances of late downward movement.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	465	467	469.55	473	475

Trade Recommendation:

BUY Jan below 471 with T1 at 474 and T2 at 475. SL at 470.00.

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

Markets	14.12.07	13.12.07	Change	Arrivals (Bags)
Jaipur (C)	2390	2400	-10	10,000-12,000 bags
Alwar(C)	2280-90	2290	-	700-800 bags
Delhi(C)	2380	2370	+10	-
Agra(C)/Katchi Ghani	2450/5550	2450/5550	-	-
Sri Ganganagar (NC)	1990/2010	-	-	400-500
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	454.00	455.25	450.05	450.85	453.95	-3.10
NCDEX	Jan	437.05	471.00	466.50	469.55	468.00	+1.55

■ GROUNDNUT

■ Dec 15, 2007

SPOT MARKET: -

Spot prices of groundnut complex witnessed firm sentiment on Friday 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 Friday and traded between the price range of Rs.514-515 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.668-669 per 10 kg on Friday.

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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