

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 07, 2007

SPOT MARKETS:

Despite firm soybean prices at CBOT the domestic market traded weak with mixed trading at local markets. However, weakness in edible oil domestically and internationally capped the gains to some extent. Overall arrivals improved marginally from the Wednesday's level of 4 lakh bags to 4.65 lakh bags on Thursday.

FUTURES MARKET: -

Soybean futures at NCDEX traded weak. January contract opened weak at Rs 1797/ctl against the previous close of Rs 1808.00/ctl. Contract then traded in the range of Rs 1789.00-1805.50/ctl before it closed at Rs 1798.00/ctl.

PRICE DRIVERS:

1. Weak CBOT Soy oil prices
2. Weakness in Futures market
3. Attractive parities to plants/crushers
4. Expectation of higher soymeal exports in 2007-08
5. Lower crop in US & China
6. Marked lower arrivals of beans

WEATHER:

Dry weather over growing regions favours harvesting.

TECHNICALS: -

Candlestick chart pattern shows indecisive market. Closing price remains below the 9 days EMA. MACD is moving down in positive zone. 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	1767	1775	1798	1806	1810

Trade Recommendation:

SELL NCDEX Jan. Soybean contract below 1795 with T1 at 1785 T2 at 1781. SL at 1800.

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

Markets	06.12.07	05.12.07	Change	Arrivals (Bags)			
Indore [P]	1780-90	1780-1800	-10	1,95,000-2,00,000 bags			
Indore [M]	1720-25	1720-50	-25				
Maharashtra [P]	1800-10	1800	+10	1,95,000-2,00,000 bags			
Maharashtra [M]	1750	1750	-				
Kota [P]	1790-1800	1780-90	+10	60000-65,000 bags			
Kota [M]	1720-30	1720-25	+5				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1790.00	1790.00	1774.50	1778.50	1790.00	-12.00
NCDEX	Jan	1796	1805.50	1789.00	1798.00	1808.00	-10.00

OILSEED

Agriwatch
DAILY

MUSTARD

Dec 07, 2007

SPOT MARKETS:

Mustard seed prices witnessed weak sentiment amidst overall weakness in regional/local exchanges tracking weak undertone in edible oil coupled with improved arrival across the markets. Overall arrival on Thursday reported at 20000-25000 bags compared to Wednesday's 12200-17850 bags. 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, favourable climatic conditions in western region may add momentum to sowing to some extent and is also favourable for early sown crops yield.

FUTURES MARKET: -

NCDEX Mustard seed futures traded weak. January contract opened firm at Rs 475.00/20 Kg against previous close of Rs 476.95/20 Kg and tested a high of Rs 475.00/20 Kg. Contract then tumbled on selling pressure testing a low of Rs 470.40/20 Kg before it closed at Rs 471.05/20 Kg.

PRICE DRIVERS:

1. Weak sentiments in local/regional markets
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.
6. Marked improved arrivals of mustard seeds.

WEATHER: -

Continuing dry weather may hinder sowing.

TECHNICALS: -

Candlestick chart pattern shows weakness in market. MACD and EMA remain weak for the medium-term. Both Stochastic and RSI is moving down in oversold zone, so bounce back from these levels cannot be ruled out. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	465	467	471.05	472	474

Trade Recommendation:

SELL Jan below 470 with T1 at 468 and T2 at 467. SL at 471.

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

Markets	06.12.07	05.12.07	Change	Arrivals (Bags)
Jaipur (C)	2380	2390	-10	8000-10,000 bags
Alwar(C)	-	2310-30	-	-
Delhi(C)	2385-90	2385	+5	900-1000 bags
Agra(C)/Katchi Ghani	2500/5550-5600	-	-	-
Sri Ganganagar (NC)	2000	2020-30	-30	450-500 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	468.95	469.20	465.00	465.40	470.50	-5.10
NCDEX	Jan	475.00	475.00	470.40	471.05	476.95	-5.90

■ GROUNDNUT

■ Dec 07, 2007

SPOT MARKET: -

Spot prices of groundnut complex witnessed steady to weak sentiment on Thursday amidst weak physical demands. Good physical demand of groundnut seed at lower prices has supported prices to move up. But steady groundnut oil sentiment following weakness in other edible oil capped the gains to some extent. 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 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. 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 were firm at Wednesday's level of Rs.504-505 per 20 Kg to Rs 506-507 per 20Kg on Thursday in different markets of Gujarat. In Rajkot market groundnut oil was firm from the Wednesday's level of Rs.656.65 per 10 Kg to Rs.661-662 per 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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.