

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Dec. 12, 2007

### SPOT MARKETS:

Soybean traded steady to firm during the Tuesday'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 edible oil also lent support to the prices. Arrivals decreased on Tuesday and are reported at 3.90-4.00 lakh bags as farmer stockists offloaded their inventories at higher prices. Meanwhile, Expectation of bullish monthly report and dry weather in Argentina after light showers in past and slower plantation in Brazil on wet field cast firmness for soy complex futures on CBOT. Fresh Chinese buying of 221,000 tonnes of soybean of US origin supported the sentiments. Last week Chinese purchased 500,000 tonnes. Brazilian 2007/08 soybean crop is forecast near 59.35 mmt from earlier estimation of 59.32 mmt by government agency, IBGE. This restricted the gains to certain extent. Traders are expecting the soybean ending stocks near 197 million bushels from 210 million bushels last month. According to the Solvent Extractors' Association of India country's oilmeal exports in November rose 1.3% to 590,825 metric tons from 583,250 tons last year. However, the arrival of soybean has reduced to 4.20 lakh bags on Monday.

### FUTURES MARKET: -

Soybean futures at NCDEX traded firm. January contract opened firm at Rs.1863.50/qty against previous close of Rs.1858.00/qty. Contract then traded in the range of Rs. 1853.00-1870.50/qty before it closed at Rs.1869.50/qty.

### PRICE DRIVERS:

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

### TECHNICALS: -

A hammer candlestick formation can be seen in the daily chart denoting tentativeness at lower levels. Holding of the psychological levels of 1850 denotes firm sentiment of the market in near-term. However, caution is advised to the bulls as market is overbought. Any corrective dip should be considered as good add on buying opportunity. Though volumes have fallen, open interest has picked up. Soya bean futures are likely to hold 1850 levels and continue the firmness in the coming session.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1835	1848	1869.5	1875	1890

### Trade Recommendation:

**BUY** NCDEX Jan. Soybean contract above 1855 with T1 at 1870 T2 at 1880 SL at 1848.

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

Markets	11.12.07	10.12.07	Change	Arrivals (Bags)			
Indore [P]	1840-60	1830-50	+10	1,50,000-1,75,000 bags			
Indore [M]	1770-1815	1770-1818	-3				
Maharashtra [P]	1845-65	1840-60	+5	1,65,000-1,75,000 bags			
Maharashtra [M]	1800-1840	1790-1845	-5				
Kota [P]	1830-45	1830-45	-	45,000-50,000 bags			
Kota [M]	1750-1780	1750-1810	-30				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1837.00	1845.50	1829.00	1842.00	1834.50	+7.50
NCDEX	Jan	1863.50	1870.50	1853.00	1869.50	1858.00	+11.50

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## MUSTARD

Dec 12, 2007

### SPOT MARKETS:

Overall mustard seed traded weak at local/regional exchanges and markets on Tuesday. 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. The spot market arrivals at local markets have decreased to 25,000 bags on Tuesday compared to 28,000 bags on Monday.

### FUTURES MARKET: -

NCDEX Mustard seed futures traded weak. January contract opened firm at Rs.473.90 against previous close of Rs.472.35/20 Kg and tested a high of Rs 473.90/20 Kg and a low of Rs.469.50/20 Kg before it closed at Rs 471.90/20 Kg.

### PRICE DRIVERS:

1. Bad weather in northern 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: -

Fall in minimum temperatures and fog condition is likely to continue over the plains of northwest India.

### TECHNICALS: -

Mustard candlestick pattern denotes prevalent selling interest in the market. Volumes and open interest are also supportive to the weak close. RSI and stochastics are in the oversold territory and recovery is due any moment. However any recovery towards the resistance levels should be good opportunity to add on sell position. Mustard price are likely to trade range -bound with proclivity towards weaker side.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	467	469	471.9	475	477.5

### Trade Recommendation:

**SELL** Jan below 473 with T1 at 469 and T2 at 467. SL at 474.50.

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

Markets	11.12.07	10.12.07	Change	Arrivals (Bags)
Jaipur (C)	2390-95	2390-95	-	10,000-12,000 bags
Alwar(C)	2290-2300	2300	-	700-800bags
Delhi(C)	2390	2400	-10	250-300 bags
Agra(C)/Katchi Ghani	2450-2500/5600	2500	-	-
Sri Ganganagar (NC)	2000	2025	-25	150-200 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	463.50	463.75	461.30	462.95	464.10	-1.15
NCDEX	Jan	473.90	473.90	469.50	471.90	472.35	-0.45

## ■ GROUNDNUT

■ Dec 11, 2007

**SPOT MARKET: -**

Spot prices of groundnut complex witnessed firm sentiment on Monday 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. 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 on Tuesday and traded between the price range of Rs.507-508 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm from the Monday's level of Rs.651.40 per 10 kg to Rs.662.25 per 10 kg on Tuesday.

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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