

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 18, 2007

SPOT MARKETS:

Soybean was traded firm, except Indore mandi price which remained steady compared to previous trading day, during Monday's trade across the all the major cash markets following firm futures market and good demand. Overall daily arrivals of the major markets remained the same as Saturday's which was 3.00-3.35 lakh bags stockists offloaded their inventories at higher prices. Dry weather in Argentina and Brazil is likely to support international market. However, arrivals at Chinese ports due to improved demand in Oct and Nov has kept Chinese soybean buyers away in booking fresh shipments.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Monday. January contract opened firm at Rs.1915.50/ctl against previous close of Rs.1913.50/ctl. Contract then traded in the range of Rs.1903.50-1932.00/ctl before it closed at Rs.1908.50/ctl.

PRICE DRIVERS:

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

WEATHER:

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

TECHNICALS: -

Soya bean candlestick formation signifies profit-booking qt higher levels weigh on market. Volumes traded have increased supporting the weaker close. Oscillators have almost bottomed out in the overbought territory denoting correction can continue atleast towards 1880 -1865 levels. MACD is holding in the positive zone showing the overall bullish picture of the market. The expected technical correction towards 1880 levels should be considered healthy and good buying opportunity for medium -term. Soya bean prices are likely to continue the corrective tone in the coming session.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1883	1900	1908.5	1920	1932

Trade Recommendation:

SELL NCDEX Jan. Soybean contract below 1905

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

Markets	17.12.07	15.12.07	Change	Arrivals (Bags)			
Indore [P]	1920-50	1905-35	+15	1,50,000-1,75,000-bags			
Indore [M]	1850-80	1860-80	-				
Maharashtra [P]	1950-60	1910-25	+35	90,000-1,00,000 bags			
Maharashtra [M]	1850-1900	1850	+50				
Kota [P]	1900-10	1880-90	+20	40,000-50,000 bags			
Kota [M]	1800-1850	1810-35	+15				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1901.00	1920.00	1901.00	1910.00	1898.00	+12
NCDEX	Jan	1915.50	1932.00	1903.50	1908.50	1913.50	-5

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MUSTARD

Dec 18, 2007

SPOT MARKETS:

Mustard seed traded firm at local/regional markets and exchanges on Monday coupled with firmness in futures market. At Jaipur the spot prices were firm at Rs.2430/qrtl on Monday compared to Rs. 2400/qrtl on Saturday, while arrivals improved to 10,000-13,850 bags on Monday from 10,000-12,000 bags on Saturday. Hence lower arrivals are supporting the mustard seed prices. 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 are expected to marginally improve 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.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm on Monday. January contract opened firm at Rs.472.90/20 kg against previous close of Rs.471.15/20 kg and tested a high of Rs 479.50/20 kg and a low of Rs.472.20/20 kg before it closed at Rs.476.50/20 Kg.

PRICE DRIVERS:

1. Marked lower arrivals
2. Mustard acreage down around 12%
3. Expectations of lower production this year
4. Lower stock with NAFED & in physical markets.

WEATHER: -

No major concerns for Rapeseed in the India crop regions.

TECHNICALS: -

Mustard chart shows continuation of the buying interest in the market supported with increase in volumes and open interest. In spite of the recent recovery prices are holding below the down trend line. Close above short -term EMAs and oscillators increasing in the neutral region denote the current firm tone can continue further. However caution is advised as 480 looks to be strong resistance point. Recovery and sustenance above these levels will negate the bearish scenario of the market. MACD is increasing in the negative territory showing decreasing bearish momentum. Mustard futures are likely to trade range bound with chances of profit booking in the coming session.

Mustard Seed 0801(NCRMSF8)2007/12/17 - Daily B:475.80 A:476.00 472.90 H 479.50 L 472.20 C 476.50 V 29,240 I 50,100 +4.95



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

Markets	17.12.07	15.12.07	Change	Arrivals (Bags)
Jaipur (C)	2430	2400	+30	10,000-12,000 bags
Alwar(C)	2325-30	2300	+30	1000-1500 bags
Delhi(C)	2410	2385	+25	100-150 bags
Agra(C)/Katchi Ghani	2500	2500/5600	-	-
Sri Ganganagar (NC)	2050	2010-15	+35	150-200 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	454.50	463.25	454.50	463.00	452.75	+10.25
NCDEX	Jan	472.90	479.50	472.20	476.50	476.50	+5.35

■ GROUNDNUT

■ Dec 18, 2007

SPOT MARKET: -

Spot groundnut complex sentiment were firm 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. 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 Monday and traded between the price range of Rs.523–524 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.679–680 per 10 kg on Monday.

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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