

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 21, 2007

SPOT MARKETS:

Soybean was traded firm at spot markets following firm CBOT and BMD. Overall daily arrivals of the major markets were 3.00 lakh bags on Thursday. There is a continued demand of bean from plants and crushers due to higher overseas demand of soymeal. However, gains by crude oil and spillover support from sharp gains in wheat helped Soybean complex to end high at CBOT. Meal and oil moved up and oil was the leader within the soy complex. The market recovered from Tuesday's declines, consolidating after it failed to attract follow-through selling. A quiet news front promoted the consolidative theme. Overall activity was light, with bullish long-range fundamentals keeping prices underpinned, while overbought technical signals and traders' willingness to even up positions in the last full trading week of the year encouraging range-bound price action at CBOT.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Thursday. January contract opened firm at Rs.1919.00/ctl against previous close of Rs.1917.00/ctl. Contract then traded in the range of Rs.1919.00-1938.00/ctl before it closed at Rs.1937.00/ctl.

PRICE DRIVERS:

1. Marked lower arrivals of beans
2. Firm CBOT
3. Good demand from plants and crushers
4. Attractive parities to plants/crushers
5. Higher soymeal exports

WEATHER:

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

TECHNICALS: -

Soya bean chart reflects continuation of the up trend with prices recording new highs. Surge in prices are supported with increase in volumes and open interest. RSI is increasing in the overbought territory while stochastics is declining supporting both way movement. Technically prices are due for correction and any weakness observed should be good opportunity to add on buy. MACD is increasing in the positive territory signifying the overall bullish tone of the market. Prices are likely to trade firm and will face resistance around psychological 1950 levels before continuing the up trend.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1900	1912	1937	1950	1960

Trade Recommendation:

BUY NCDEX Jan. Soybean contract around 1930 with T1 at 1945 T2 at 1955. SL below 1923.

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

Markets	20.12.07	19.12.07	Change	Arrivals (Bags)			
Indore [P]	1925-50	1910-33	+17	1,00,000-1,40,000-bags			
Indore [M]	1850-1915	1835-85	+30				
Maharashtra [P]	1950-63	1930-60	+3	1,00,000-1,25,000 bags			
Maharashtra [M]	1900-25	1840-90	+35				
Kota [P]	1900-10	1870-1900	+10	30,000-35,000 bags			
Kota [M]	1800-1860	1800-40	+20				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	1919.00	1938.00	1919.00	1937.00	1917.00	+20
NCDEX	Feb	1940.00	1960.00	1940.00	1957.50	1957.50	+18.50

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MUSTARD

Dec 21, 2007

SPOT MARKETS:

Mustard seed sentiment witnessed weak tone at spot markets despite firm local/regional exchanges on Thursday. At Jaipur the spot prices were Rs.2425/qrtl on Thursday which was low compared to price level of Rs.2435/qrtl on Wednesday, while overall arrivals declined to 10,000-11600 bags on Thursday. According to a senior official of the National Agriculture Cooperative Marketing Federation (Nafed), the government agency for price support scheme (PSS) in oilseeds, the procurement of mustard is likely to be low in the rabi marketing season next year, though the minimum support (MSP) of mustard has been raised from Rs.1,715 to Rs.1,800 a quintal. Nafed is currently focusing on packaged oil. Presently the mustard prices are in the range of Rs.2,200-2,300 a quintal. Mustard sowing in the ongoing rabi season is lagging behind at 5.72 million hectares (as on Dec 14) against 6.42 million hectares last year and the production is likely to drop this year. Nafed at present has a stock of 350,000 tonnes of mustard seed. It is selling 30,000 tonnes every month as seed while processing another 40,000 tonnes into oil and is able to sell 4,925 tonnes of mustard oil worth Rs.26 crore so far in the current financial year.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm on Thursday. January contract opened firm at Rs.471.05/20 kg against previous close of Rs.470.40/20 kg and tested a high of Rs 473.70/20 kg and a low of Rs.470.75/20 kg before it closed at Rs.472.50/20 Kg.

PRICE DRIVERS:

1. Marked lower arrivals
2. Decrease in acreage
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 candlestick formation denotes buying interest at lower levels, which pushed the market further. Prices can recover from the current levels towards 480 however caution is advised with strong resistance being at 475 -476 levels. Oscillators are increasing in the neutral territory suggesting near -term firmness. MACD is increasing in the negative territory showing decrease in bullish momentum. Prices are likely to be range -bound to firm in the coming session.

Mustard Seed 0801(NCRMSF8)2007/12/20 - Daily B:472.20 A:472.55
O 471.05 H 473.70 L 470.75 C 472.50 V 16,130 161,460 +1.25



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	468	470	472.5	475	476

Trade Recommendation:

BUY Jan above 471.50 with T1 at 474 and T2 at 476
SL below 470

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

Markets	20.12.07	19.12.07	Change	Arrivals (Bags)
Jaipur (C)	2425	2435	-10	9,000-10,000 bags
Alwar(C)	-	2340-45	-	700-800 bags
Delhi(C)	2400	2415	-15	150-200
Agra(C)/Katchi Ghani	2450	2450/5600	-	-
Sri Ganganagar (NC)	2040-50	2050	-	500-600bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	471.05	473.70	470.75	472.50	470.40	+2.10
NCDEX	Feb	476.25	477.35	474.80	476.30	474.85	+1.45

■ GROUNDNUT

■ Dec 21, 2007

SPOT MARKET: -

Spot groundnut complex witnessed mixed trading on Thursday there is a good physical demand. However, lower Rabi acreage of 2.41ha 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 weak on Thursday and traded between the price range of Rs.517-518 per 20 compared to Rs.521-522 per 20 kg on Wednesday in different markets of Gujarat. In Rajkot market groundnut oil was traded steady at Rs.672-673 per 10 kg on Thursday.

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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