

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 10, 2007

SPOT MARKETS:

Soybean complex witnessed firm on Saturday. Bean traded firm across the cash markets amidst high national and international edible oil prices. Prices of soybean, oil and meal were firm at CBOT, which were also firm at KLCE for CPO. Whereas continuing good demand from plant/crushers on expectation of higher soymeal export this season coupled with higher soymeal exports in Nov 2007 and lower arrivals. According to SOPA, country's Soymeal export during Nov 07 was 531268 MT against 360971 MT in corresponding period last year, up 47.18% over the last year. Though total exports of Soymeal for financial year April-November'07 is down at 1465068 MT as against 2039395 MT during the same period last year, down 28.16% over the last year. Internationally, as per the Brazilian Vegetable Oils Industry Association, Abiove, Brazil is expected to crush 31.5MMT of soybeans from 2007-08 soy crop. Brazil's 2007-08 soy crop pegged at 60.5 million tons, down from a previous estimate of 60.7 million tons.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. January contract opened firm at Rs1817.50/qrtl against previous close of Rs1802.00/qrtl. Contract then traded in the range of Rs 1817.50-1849.00/qrtl before it closed at Rs1847.00/qrtl.

PRICE DRIVERS:

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

WEATHER:

Dry weather over growing regions favours harvesting.

TECHNICALS: -

A long hollow candlestick is formed breaching the previous highs, which reflects firmness in market. MACD and EMA remains firm for the medium term. Both Stochastic and RSI is moving upward in the neutral zone. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1826	1839	1847	1865	1875

Trade Recommendation:

BUY NCDEX Jan. Soybean contract above 1849 with T1 at 1859 T2 at 1863. SL at 1844.

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

Markets	08.12.07		07.12.07	Change	Arrivals (Bags)		
Indore [P]	1820		1800	+20	1,25,000-1,50,000 bags		
Indore [M]	1765		1750	+15			
Maharashtra [P]	1835		1815	+20	1,20,000-1,25,000 bags		
Maharashtra [M]	1795		1770-75	+20			
Kota [P]	1815		1800	+15	55000-60,000 bags		
Kota [M]	1735		1710-25	+10			
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1795.00	1824.50	1795.00	1824.50	1787.50	+37.00
NCDEX	Jan	1817.50	1849.00	1817.00	1847.00	1810.50	+36.50



■ MUSTARD

■ Dec 10, 2007

SPOT MARKETS:

Mustard seed prices were firm at regional/local exchanges amidst firmness in oil at CBOT. 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 improved to 17500 bags on Saturday.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm. January contract opened firm at Rs.473.50/20 Kg against previous close of Rs.472.75/20 Kg and tested a high of Rs 477.00/20 Kg testing a low of Rs 470.35/20 Kg before it closed at Rs 474.50/20 Kg.

PRICE DRIVERS:

1. Improved arrivals of mustard seeds.
2. Firm sentiments in local/regional markets
3. Mustard acreage dropped around 33.5%
4. Sowing fell to 5.27 mil ha against 6.13milha last year
5. Expectation of lower production this year
6. Lower stock with NAFED & in physical markets.

WEATHER: -

Continuing dry weather may hinder sowing.

TECHNICALS: -

Candlestick chart pattern shows indecisive market. MACD and EMA remain weak for the medium-term. Stochastic heading down while in oversold zone while RSI is heading up in neutral zone. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	472	473	474.5	481	482

Trade Recommendation:

BUY Jan above 475 with T1 at 477 and T2 at 478. SL at 474.

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

Markets	08.12.07	07.12.07	Change	Arrivals (Bags)
Jaipur (C)	2390-95	2380	+15	10,000-15,000 bags
Alwar(C)	2310	2300	+10	1000-1200 bags
Delhi(C)	2390	2380-85	+5	500-600bags
Agra(C)/Katchi Ghani	2500/5550	2500	-	-
Sri Ganganagar (NC)	2025-30	2000	+30	600-700 bags
Kota (NC)		-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	467.25	469.00	465.55	465.90	465.80	+0.10
NCDEX	Jan	473.50	477.00	473.50	483.60	480.65	+1.75

■ GROUNDNUT

■ Dec 10, 2007

SPOT MARKET: -

Spot prices of groundnut complex witnessed weak sentiment on Saturday amidst weak physical demands. 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 weak at Friday's level of Rs.504-505 per 20 kg to Rs 500-501 per 20Kg to on Saturday in different markets of Gujarat. In Rajkot market groundnut oil was weak from the Friday's level of Rs.655-656 per 10 kg to Rs.652-653 per 10 Kg on Saturday.

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.

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