

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 14, 2007

SPOT MARKETS:

Soybean traded firm during Thursday's trade across the major cash markets following firm future market and good demand from crusher/plants. Looking at the previous figures, arrivals of bean is declining, the overall arrivals on Thursday at major market was 2.30-2.45 lakh bags as farmer stockists offloaded their inventories at higher prices. Also, the market found support from bullish news of USDA along with the report from the Goldman Sachs who is anticipating 2008 soybean price near \$14.50 per bushel. Both soybean and meal gained and soybean stood at new 34 year high for nearby futures. Meal deliveries were a bit higher than expected that capped the gains to certain extent. Favourable weather conditions for soybean production over Argentina have failed to slow the buying on expectation of drier weather ahead. China's is expected to import of 34 million tonnes this season, which is equivalent to 48% of 2007 US production. Traders are expecting USDA weekly export sales report of soybean sales near 600,000-700,000 tonnes, meal around 75,000 to 125,000 tonnes and oil sales near 10,000-20,000 tonnes.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Thursday. January contract opened firm at Rs.1866.00/qrtl against previous close of Rs.1860.50/qrtl. Contract then traded in the range of Rs.1863.50-1886.00/qrtl before it closed at Rs.1879.00/qrtl.

PRICE DRIVERS:

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

WEATHER:

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

TECHNICALS: -

Soya chart displays buying interest in the market supported with increase in volumes and open interest. RSI and stochastic is increasing in the overbought territory supporting the firmness and at the same time hinting caution for the bulls. Initiate buys during any weakness towards the support levels following overbought nature of the market. The next significant resistance is around 1700 levels. Soya bean prices are likely to trade firm in the coming session with chances of profit booking around 1700 levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1857	1865	1879	1890	1897

Trade Recommendation:

BUY NCDEX Jan. Soybean contract around 18570 with T1 at 1888 T2 at 1897. SL at 1861.

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

Markets	13.12.07	12.12.07	Change	Arrivals (Bags)
Indore [P]	1860-80	1840-70	+10	1,50,000-1,60,000-bags
Indore [M]	1800-40	1770-1820	+20	
Maharashtra [P]	1863-85	1840-70	+15	1,20,000-1,40,000 bags
Maharashtra [M]	1800-72	1800-40	+32	
Kota [P]	1840-50	1830-40	+10	40,000-45,000 bags
Kota [M]	1770-1810	1740-80	+30	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	18.50	1863.00	1845.00	1856.50	1840.50	+16.00
NCDEX	Jan	1866.00	1886.00	1863.50	1879.00	1860.50	+18.50



■ MUSTARD

Dec 14, 2007

SPOT MARKETS:

Overall mustard seed traded mixed at local/regional markets and exchanges on Thursday coupled with weakness in futures market. At Jaipur the spot prices were firm at Rs.2400/qrtl on Thursday compared to Rs.2390/qrtl and arrivals increased to 10,000-12,000 bags on Thursday from 5000-7000 bags on Wednesday. There was good arrivals and poor demand in the spot market. 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.

FUTURES MARKET: -

NCDEX Mustard seed futures traded weak. January contract opened weak at Rs. 470.50/20 kg against previous close of Rs. 471.00/20 kg and tested a high of Rs 471.20/20 kg and a low of Rs.466.70/20 kg before it closed at Rs.468.00/20 Kg.

PRICE DRIVERS:

1. Poor demand of mustard seed in the market
2. Bad weather in north-western parts India
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: -

No major concerns for Rapeseed in the India crop regions.

TECHNICALS: -

Mustard candlestick formation denotes continuation of selling pressure in the market with prices falling in a channel. Volumes are almost steady and open interest increased in comparison with previous close supporting the weak tone. RSI and Stochastics are dipping in the oversold territory adding to the bearish posture of the market. 471 levels continue to be the strong resistance point in near-term. Mustard futures are likely to decline towards 465 levels in the coming session though there are chances of late recovery following oversold nature of the market.

Mustard Seed 0801(NCRMSF8)2007/12/13 - Daily B:467.50 A:461.00 O 470.50 H 471.20 L 466.70 C 468.00 V 16,300 I 42,380 +C



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	465	466	468	471	474

Trade Recommendation:

SELL Jan below 470 with T1 at 467 and T2 at 465. SL at 471.50.

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

Markets	13.12.07	12.12.07	Change	Arrivals (Bags)
Jaipur (C)	2400	2385-90	+10	10,000-12,000 bags
Alwar(C)	2290	2280-90	-	700-800 bags
Delhi(C)	2370	2390	-20	-
Agra(C)/Katchi Ghani	2450/5550	2450-2500/5550	-	-
Sri Ganganagar (NC)	-	1990-2010	-	-
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	458.90	460.70	453.30	454.40	457.45	-3.05
NCDEX	Jan	470.50	471.20	466.70	468.00	468.30	-0.30

■ GROUNDNUT

■ Dec 14, 2007

SPOT MARKET: -

Spot prices of groundnut complex witnessed firm sentiment on Thursday 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 Wednesday and traded between the price range of Rs.514-515 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded weak at Rs.663-664 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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