

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Dec. 27, 2007

### SPOT MARKETS:

Soybean was traded steady to weak at spot markets on Wednesday. Overall daily arrivals at the major markets were 2.30 lakh bags on Wednesday. Indore soybean spot market plant delivery price was marginally down at price level of Rs.1960/qrtl compared on Wednesday compared to Monday's price level of Rs.1970/qrtl. In Maharashtra the plants/crushers are still facing problem in transporting and lifting the DOC/meal due to the non-availability of rail facility. At CBOT weakness in Crude oil and rains over Argentina helped to pressure the market. However, January soybean, meal and oil witnessed new contract high at CBOT as holiday-shortened trading session. Continued domestic demand of meal in US from livestock feeders has further supported the meal price. The recent USDA Cattle on Feed report states that the feedlots in US jumped 12% in November. China has extended the soybean import duty at 1% (from 3%) through the end of March to check inflation, which is likely to open the export prospects for US.

### FUTURES MARKET: -

Soybean futures at NCDEX traded steady on Wednesday. January contract opened firm at Rs.1968.00/qrtl against previous close of Rs.1964.00/qrtl. Contract then traded in the range of Rs.1961.00-1981.00/qrtl before it closed at Rs.1964.00/qrtl.

### PRICE DRIVERS:

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

### WEATHER:

Favorable conditions for the late soybean harvest through west-central India at this time.

### TECHNICALS: -

Soya bean candlestick shows an inverted 'T' formation denoting selling pressure at higher levels. Prices face strong resistance around psychological 2000 levels and close lower thereafter. However the overall positive scenario is still intact and any weakness towards 1980 levels is good buying opportunity. Prices supported with good volumes and open interest supporting near -term firmness. RSI steady while stochastic decline slightly in overbought territory. Prices are likely to retest 2000 levels in the coming session.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	1975	1986	1990	2000	2020

### Trade Recommendation:

**BUY** NCDEX Feb. Soybean contract above 1985 with T1 at 1999 T2 at 2015. SL below 1978.

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

Markets	26.12.07	24.12.07	Change	Arrivals (Bags)
Indore [P]	1970-90	1975-1990	-	1,00,000-1,25,000 bags
Indore [M]	1920-60	1915-1970	-10	
Maharashtra [P]	1980	-	-	60,000-65,000
Maharashtra [M]	1950	-	-	
Kota [P]	1965-70	1950-60	+10	30,000-40,000 bags
Kota [M]	1860-65	1875-1910	-35	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	1968.0	1981.0	1961.0	1964.0	1964.0	0.00
NCDEX	Feb	1994.0	2009.50	1990.0	1990.0	1987.50	+2.50

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## MUSTARD

Dec 27, 2007

### SPOT MARKETS:

Mustard seed traded weak at spot market on Wednesday following weakness in local/regional exchanges (Hapur, Sirsa & Delhi). At Jaipur the spot prices were at the level of Rs.2430/qrtl on Wednesday compared to price level of Rs.2440/qrtl on Monday. 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.

### FUTURES MARKET: -

NCDEX Mustard seed futures traded weak on Wednesday. January contract opened firm at Rs.460.25/20 kg against previous close of Rs.460.80/20 kg and tested a high of Rs 462.00/20 kg and a low of Rs.455.25/20 kg before it closed at Rs.455.90/20 Kg.

### PRICE DRIVERS:

1. Weak regional and local exchanges
2. Marked lower arrivals
3. Decrease in acreage
4. Expectations of lower production this year
5. Lower stock with NAFED & in physical markets.

### WEATHER: -

No major concerns for Rapeseed in the India crop regions.

### TECHNICALS: -

Long dark candle in mustard seed chart for another consecutive day added to the bearish tone of the market. Market is extremely oversold and correction is due any moment. Prices below EMA's and oscillators declining in the oversold territory point towards further downtrend. Prices can test 460 levels before any recovery starts. Selling around current levels is advised with caution to the bears. Mustard seed futures are likely to notice further losses with chances of recovery late in the session.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	454	460	463.6	468	471

### Trade Recommendation:

**SELL Feb** below 463 with T1 at 459 and T2 at 455. SL 465.

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

Markets	26.12.07	24.12.07	Change	Arrivals (Bags)
Jaipur (C)	2425-30	2435-40	-10	-
Alwar(C)	2325-30	2340	-10	800-1,000 bags
Delhi(C)	2410	2410	-	200-300 bags
Agra(C)/Katchi Ghani	2550/5550	2550-2600/5600	-	-
Sri Ganganagar (NC)	2020	2030	-10	150-200 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	460.25	462.0	455.25	455.90	460.80	-4.90
NCDEX	Feb	469.0	470.80	462.50	463.60	469.40	-5.80

## ■ GROUNDNUT

■ Dec 27, 2007

**SPOT MARKET: -**

Spot groundnut complex witnessed firm trade on Wednesday, amid good physical demand. However, 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 at price level of Rs. 521-522 per 20 compared to the price levels of Rs.520-521 per 20 kg on Monday in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at the price level of Rs.671-672 on Wednesday compared to the price of level of Rs. 670-671 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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