

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 24, 2007

SPOT MARKETS:

Soybean was traded firm at spot markets following firm CBOT and BMD. Overall daily arrivals of the major markets were 2.50 lakh bags on Saturday. Indore soybean spot market price touched Rs.2000/qlt. At CBOT soybean futures rallied setting new 34-year contract highs from same long term factor, supportive underlying fundamentals and technical strength kept bullish traders enthused. Apart from it higher prices for Malaysian palm oil on supply concerns and higher crude oil prices were supportive factors to the market at CBOT. However, January meal contract could not end up as expected at CBOT. The absence of any significant selling helped extend the gains, as sellers remain unwilling to stand in front of the bullish trend. Overall activity lacked intensity despite the double-digit gains, with some traders evening out positions ahead of an extended break during the holidays.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Saturday. January contract opened firm at Rs.1964.00/qlt against previous close of Rs.1959.50/qlt. Contract then traded in the range of Rs.1964.00-1981.50/qlt before it closed at Rs.1970.00/qlt.

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 chart shows continuation of the up trend with prices heading towards the psychological 2000 mark. Market gave up some of the initial gains denoting some tentativeness at higher levels. Open interest remains steady while volume decline significantly. Technically market is overbought and correction is due any moment hinting caution for the bulls. However prices look like attempting towards 2000 levels before giving any significant correction. Oscillators are progressively increasing in the overbought territory denoting there is room for further upside movement. As evident from the intra day chart, 1980 levels seem to be proving strong resistance point. Prices are likely to test the resistance levels in the next session with chances of late downward movement.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1950	1962	1970	1985	1997

Trade Recommendation:

BUY NCDEX Jan. Soybean contract around 1965 with T1 at 1982 T2 at 1997. SL below 1957.

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

Status of Price & Supply of Soybean (Rs/Kg) (Unit: MT) (Market: IN)							
Markets	22.12.07		21.12.07	Change	Arrivals (Bags)		
Indore [P]	2000		1950	+50	1,00,000-1,25,000 bags		
Indore [M]	1850-1900		1840-90	+10			
Maharashtra [P]	2000-20		Closed	-	90,000-1,00,000 bags		
Maharashtra [M]	1950		Closed	-			
Kota [P]	1940-60		1915-35	+25	20,000-25,000 bags		
Kota [M]	1890		1820-30	+60			
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	1964.00	1981.50	1964.00	1970.00	1959.50	+10.50
NCDEX	Feb	1986.00	2005.00	1986.00	1991.00	1981.50	+9.50



■ MUSTARD

Dec 24, 2007

SPOT MARKETS:

Mustard seed sentiment was firm at spot markets despite following firm local/regional exchanges on Saturday. At Jaipur the spot prices were Rs.2440/qrtl on Saturday. Overall arrival at the madis was 11500 bags on Saturday. 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 Saturday. January contract opened firm at Rs.471.00/20 kg against previous close of Rs.470.05/20 kg and tested a high of Rs 473.00/20 kg and a low of Rs.468.20/20 kg before it closed at Rs.468.90/20 Kg.

PRICE DRIVERS:

1. Firm in major 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: -

Mustard chart denotes inside day trading of the bears supported with increase in open interest. Closing below the EMA's hints overall bearish outlook of the market. Oscillators declining in the neutral territory supports near-term weakness. MACD is almost flat in the negative territory. Prices are likely to test the supports of 465 levels before there is any recovery as in the intra day chart prices have broken below triangle formation. Mustard futures will continue the weak tone in the coming session.

Mustard Seed 0801(NCRMSF8)2007/12/22 - Dail B:468.60
O 471.00 H 472.65 L 468.20 C 468.90 V 20,210 17



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	464	466	468.9	474	475

Trade Recommendation:

SELL Jan below 470.5 with T1 at 467 and T2 at 465.
SL 472.0

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

Markets	22.12.07	21.12.07	Change	Arrivals (Bags)
Jaipur (C)	2440	2420-25	+15	8,000-10,000
Alwar(C)	2350	2325-30	+20	700-800 bags
Delhi(C)	2410	2405	+5	150-200 bags
Agra(C)/Katchi Ghani	2575/5650	2575/5600-25	-	-
Sri Ganganagar (NC)	2020-25	2040	-15	400-500bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	471.00	473.00	468.20	468.90	470.05	-1.15
NCDEX	Feb	477.40	480.40	475.50	475.90	475.50	+0.40

■ GROUNDNUT

■ Dec 24, 2007

SPOT MARKET: -

Spot groundnut complex witnessed firm trade on Saturday, 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 Saturday and traded between the price levels of Rs.521-522 per 20 kg on Saturday compared to previous price level of Rs. 515-516 per 20 on Friday in different markets of Gujarat. In Rajkot market groundnut oil was traded at the price level of Rs.673-674 on Saturday compared to the price of level of Rs.668-669 per 10 kg on Friday.

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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