

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Dec. 29, 2007

### SPOT MARKETS:

Soybean sentiment was firm at spot markets on Friday due to the good demand by plants/crushers on expectation of continued strong overseas soy meal demand. Overall daily arrivals at the major markets were 1.50 lakh bags on Friday. The Maharashtra spot market remained closed due to the protest against the non-availability of railway racks to lift the soy DOC. Indore soybean spot market plant delivery price went up to Rs.2030/qlt compared to Thursday's price level of Rs.2020/qlt. At CBOT soybean futures closed lower on profit-taking and in a setback from recent rallies while previous rallies seems failed to lure the substantial increase in selling which picked up in the previous trading session. Both US and Asian markets seem to have affected by the holidays during the week. However, it is believed that the market still has underlying technical and fundamental strength after hitting 34-year highs in recent sessions. Also gains in crude oil, gold and metal helped underpin the market. Weather is a long term concern in Argentina with hot, dry weather expected to return in coming days.

### FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Friday. February contract opened firm at Rs.2025.50/qlt against previous close of Rs.2032.00/qlt. Contract then traded in the range of Rs.2025.50-2077.00/qlt before it closed at Rs.2073.00/qlt.

### PRICE DRIVERS:

1. Strong overseas soy meal demand
2. Demand from plants/crushers
3. Attractive parities to plants/crushers
4. Marked lower arrivals of beans

### WEATHER:

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

### TECHNICALS: -

Soya bean prices are undergoing a bullish spree with support emerging in from almost all corners. After breaching the psychological level of 2050, prices touched an all time high of 2077 before closing slightly below the highs. Increase in volumes and open interest is supporting the firm trend in prices. MACD is showing increasing bullish momentum and rising RSI denotes scope for further up trend. In intra day chart, prices are moving in an up trend channel. The next significant resistance is around 2100 levels. Prices are likely to continue the positive legacy in the coming session.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	2030	2045	2075	2080	2099

### Trade Recommendation:

**BUY** NCDEX Feb. Soybean contract above 2065 with T1 at 2085 T2 at 2099. SL below 2055.

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

Markets	28.12.07	27.12.07	Change	Arrivals (Bags)			
Indore [P]	2010-30	2010-20	+10	1,00,000-1,25,000 bags			
Indore [M]	1940-2015	1960-2000	+15				
Maharashtra [P]	Closed	2030	-	Closed			
Maharashtra [M]	Closed	1990-2000	-				
Kota [P]	2005-10	2000	+10	20,000-25,000 bags			
Kota [M]	1900-50	1965	-15				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	1999.0	2047.0	1995.50	2042.0	2042.0	+45.50
NCDEX	Feb	2025.0	2077.0	2025.50	2073.0	2032.0	+41



## ■ MUSTARD

Dec 29, 2007

### SPOT MARKETS:

Mustard seed traded firm at spot market on Friday following firmness at local/regional exchanges (Hapur, Sirsa & Delhi). As per the first round survey of Agricultural Ministry sowing of mustard seed between October 1 and December 14 was complete in 57.2 lakh hectares against a coverage of about 64.2 lakh hectares during the same period last year. The oilseed sowing is expected to finish next month and the edible oil industry fears that the acreage under mustard seed in 2007-08 rabi season may be lower than the previous season when a total of 72 lakh hectares were brought under oilseed cultivation. The oilseed output this rabi season is expected to fall by about 1 million ton (mt) to 6 mt compared to last year's level of 7.1 mt, according to the estimates of Solvent Extractors' Association of India. According to the industry sources the National Agricultural Cooperative Marketing Federation of India (Nafed) has a stock of 3.5 lakh tonnes. The average daily arrival of mustard seed is about 13-14 tonnes at major mandis, Sirsa, Hapur and Delhi. Recent showers over mustard growing raised some hope of more coverage of the oilseed and prompted traders to take a bearish view.

### FUTURES MARKET: -

NCDEX Mustard seed futures traded firm on Friday. February contract opened firm at Rs.466.85/20 kg against previous close of Rs.466.75/20 kg and tested a high of Rs 479.50/20 kg and a low of Rs.464.40/20 kg before it closed at Rs.479.10/20 Kg.

### PRICE DRIVERS:

1. Firm 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 hollow candle is reflected in mustard seed chart denoting strong buying interest. Firm close is supported with significant increase in volumes and marginal increase in open interest. Prices have broken above the downtrend line supporting near-term firmness. For the decline in prices from 503 till 463 levels, prices can give 50% correction towards 483 levels and ability to sustain above this will negate the overall bearish scenario. MACD is likely to make bullish crossover in the negative territory showing decreasing bearish momentum. Prices are likely to extend the positive tone in the coming session.

Mustard Seed 0802(NCRMSG8)2007/1 2/28 - Daily B:479.10 A:479.10 O 466.85 H 479.50 L 464.40 C 479.10 V 61,540 I 122,320



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	465	470	479.1	482	485

### Trade Recommendation:

**BUY Feb** above 479 with T1 at 483 and T2 at 485. SL 477.

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

Markets	28.12.07	27.12.07	Change	Arrivals (Bags)
Jaipur (C)	2440-45	2425-30	+15	-
Alwar(C)	2325	2330	-5	1000-1200 bags
Delhi(C)	2390-95	2380-88	+7	300-400 bags
Agra(C)/Katchi Ghani	-	2575/5550	-	-
Sri Ganganagar (NC)	2030-35	2025-30	+5	100-200 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	460.0	470.80	458.10	470.40	460.35	+10.05
NCDEX	Feb	466.85	479.50	464.40	479.10	466.75	+12.35

## ■ GROUNDNUT

■ Dec 29, 2007

**SPOT MARKET: -**

Spot groundnut complex witnessed firm trade on Friday, 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 Friday at price level of Rs. 524-525 per 20 compared to the price levels of Rs. 522-523 per 20 kg on Thursday in different markets of Gujarat. In Rajkot market groundnut oil was traded steady at the price level of Rs.672-673 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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