

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Jan. 01, 2008

SPOT MARKETS:

Soybean has traded mixed at spot markets on Monday. Mandi prices at all the major spot markets witnessed firm sentiment while plant delivery price at Indore and Kota were low. However, soy futures market remained firm on Monday. The solvent extraction units in the country are in full swing crushing the bean with higher demand of soymeal whose price is nearly doubled compared to previous year, which is around \$400 a ton, excluding freight costs. Overall daily arrivals at the major markets were 2.55 lakh bags on Monday compared to 3.00 lakh bags on Saturday. At CBOT soybean futures finished lower as the market is keen towards index funds to sell shortly after the New Year. Traders expect the funds to rebalance their positions by selling thousands of soybean and wheat contracts and by buying corn. According to AgResource Company funds will have to sell 32,000-36,000 contracts of wheat and soybeans and secure 19,000-21,000 contracts of corn. The late pullback in soybean and meal came after the market rose in early trading. Soybean oil finished higher in all the future contracts despite the sharp drops in soybeans and meal. Prices remained in positive territory for most of the day session as spillover support from outside markets. Soybeans are still technically strong after hitting 34-year highs

FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Monday. February contract opened firm at Rs.2025.00/qttl against previous close of Rs.2021.50/qttl. Contract then traded in the range of Rs.1999-2042/qttl before it closed at Rs.2028.00/qttl.

PRICE DRIVERS:

1. Strong overseas soymeal 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 candlestick formation denotes tentativeness at lower levels and prices manage to hold above the crucial supports of 2000 levels. Volumes and open interest have surged supporting the firm close. In the intra day chart prices have closed above the up trend line. MACD is flat in the positive territory signifying the bullish scenario is intact. RSI and stochastic are almost flat in the neutral and overbought region respectively. Prices are expected to find good buying support around current levels and surge further.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	1988	1998	2028	2067	2077

Trade Recommendation:

BUY NCDEX Feb. Soybean contract around 2025 with T1 at 2042 T2 at 2055. SL above 2017.

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

Markets	31.12.07	29.12.07	Change	Arrivals (Bags)
Indore [P]	1980-2000	2010	-10	90,000-1,00,000 bags
Indore [M]	1920-75	1920-60	+15	
Maharashtra [P]	2030-40	2020	+20	1,00,000-1,25,000 bags
Maharashtra [M]	1970-2000	1950	+50	
Kota [P]	1900-50	1990-2010	-60	20,000-30,000 bags
Kota [M]	1990-2000	1920-30	+70	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	1989.50	2011.00	1977.00	1997.50	1996.50	+1.00
NCDEX	Feb	2025.00	2042.00	1999.00	2028.00	2021.50	+6.50



■ MUSTARD

■ Jan 01, 2008

SPOT MARKETS:

Overall mustard seed is traded weak at spot market on Monday. However, the local/regional exchanges (Hapur, Sirsa & Delhi) witnessed firm trading during the day. However, according to the latest information from Press Information Bureau, mustard/rapeseed sowing has reached 59.55 lakh ha while the sowing figure from last rabi to this time stands at 65.36 lakh ha. 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. 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 Monday. February contract opened weak at Rs.469.50/20 kg against previous close of Rs.470.50/20 kg and tested a high of Rs 474.20/20 kg and a low of Rs.466.80/20 kg before it closed at Rs.472.00/20 Kg.

PRICE DRIVERS:

1. Marked lower arrivals
2. Decrease in acreage
3. Expectations of lower production this year
4. Lower stock with NAFED & in physical markets.

WEATHER: -

No major concerns for Rapeseed in the India crop regions.

TECHNICALS: -

Mustard seed chart displays a small hollow candle with shadows on both the sides. Good buying at lower levels helped the market to recoup losses towards the close. Price has closed just above 5 -Day EMA denoting near -term firmness. MACD is attempting for bullish cross over in the negative territory. Oscillators are rising steadily in the neutral zone supportive for near -term firmness. Major resistance for prices is around 477 -478 levels. Prices are likely to trade range bound and attempt towards 475 levels in the coming session.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	464	467	472	477	478

Trade Recommendation:

BUY NCDEX Feb Mustard seed around 470 with T1 at 474 and T2 at 476. SL below 468.

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

Markets	31.12.07	29.12.07	Change	Arrivals (Bags)
Jaipur (C)	2435-40	2435-40	-	-
Alwar(C)	2320-25	2335	-10	1000-1200 bags
Delhi(C)	2385-90	2415	-25	1000-1200 bags
Agra(C)/Katchi Ghani	2525-50/5600-50	2540-50/5650	-25	-
Sri Ganganagar (NC)	2025-30	2025-30	-	300-350 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	460.10	464.80	457.90	460.65	461.65	-1.00
NCDEX	Feb	469.50	474.20	466.80	472.00	472.00	+1.50

■ GROUNDNUT

■ Jan 01, 2008

SPOT MARKET: -

Spot groundnut complex is witnessed firm trade on Monday, 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 Monday at price level of Rs.533-534 per 20 kg compared to the previous price level of Rs. 526-527 per 20 kg on Saturday in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at the price level of Rs.684-685 per 10 kg on Monday compared to the previous price level of Rs. 675-676 per 10 kg on Saturday.

The Solvent Extractors' Association of India has 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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