

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Dec. 28, 2007

### SPOT MARKETS:

Soybean was traded firm at spot markets on Thursday due to the good demand by plants/crushers on expectation of overseas soymeal demand. Overall daily arrivals at the major markets were 2.45 lakh bags on Thursday. Indore soybean spot market plant delivery price went up to Rs.2020/qtl compared to Wednesday's price level of Rs.1990/qtl. At CBOT soybean futures ended at fresh 34-year highs as a result of strong gains in Asian and outside markets, record high close for palm oil futures at BMD and stronger soybean futures at Dalian Commodity Exchange, firmer crude oil and metal contributed to the bullish tone at CBOT. March soybeans contract stood high at \$12.45 1/2, above previous high of \$12. Soybeans have technical strength after hitting fresh historic highs, traders said. The market is nearing all-time high of \$12.90. Further expectations of strong demand from China will continue. Weekly inspections for soybeans as of December 20th, came in at 25.838 million bushels, down from 37.801 million the week before. This brings the cumulative inspections for the marketing year so far to 41.3% of the USDA forecast for the entire year, somewhat short of the 43.4% 5 year average for this time of the year.

### FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Thursday. January contract opened firm at Rs.1970.00/qtl against previous close of Rs.1963.50/qtl. Contract then traded in the range of Rs.1970.00-2010.50/qtl before it closed at Rs.2001.00/qtl.

### 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 a long hollow candle denoting strong buying interest even at higher levels. Market has surpassed the psychological 2000 levels supported with good volumes and open interest and is further heading up. Rising RSI in the overbought territory denotes there is scope for further upside movement while marginally declining stochastic points at near -term weakness. Any weakness towards 2000 levels will be good add on buy as rising MACD supports the overall bullish scene of the market. Soya bean futures are likely to test the resistance of 2050 and head towards 2060 levels in the coming session.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	1988	1998	2034	2050	2065

### Trade Recommendation:

**BUY** NCDEX Feb. Soybean contract above 2030 with T1 at 2045 T2 at 2062. SL below 2023.

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

Status of Price & Supply of Soybean (HS/Qty) (Unit: - / / Month: - / /)							
Markets	27.12.07		26.12.07	Change	Arrivals (Bags)		
Indore [P]	2010-20		1970-90	+30	1,00,000-1,50,000 bags		
Indore [M]	1960-2000		1920-60	+40			
Maharashtra [P]	2030		1980	+50	60,000-65,000 bags		
Maharashtra [M]	1990-2000		1950	+50			
Kota [P]	2000		1965-70	+30	20,000-30,000 bags		
Kota [M]	1965		1860-65	+100			
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	1970.0	2010.50	1970.0	2001.0	1963.50	+37.50
NCDEX	Feb	2000.50	2040.0	2000.50	2034.0	1992.0	+42



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## ■ MUSTARD

■ Dec 28, 2007

### SPOT MARKETS:

Mustard seed traded steady to firm at spot market on Thursday following firmness at local/regional exchanges (Hapur, Sirsa & Delhi). 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 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 firm on Thursday. January contract opened firm at Rs.457.50/20 kg against previous close of Rs.456.10/20 kg and tested a high of Rs 461.70/20 kg and a low of Rs.457.50/20 kg before it closed at Rs.460.25/20 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: -

Small hollow candle with long upper shadow denotes tentativeness at higher levels. The overall technical scenario remains bearish with prices below EMA's, increasing MACD in negative territory and declining stochastics in oversold territory. However increasing RSI from the oversold territory will come to the rescue of the market and give some near-term gains. Buying around current levels will be a good opportunity for near-term purpose. Breaking above significant resistances will only negate the bearish scenario. Prices are likely to trade range-bound with firmness expected early in the session.

Mustard Seed 0802(NCRMSG8)2007/12/27 - Daily B:466.50 A:466.95  
O 465.70 H 469.00 L 465.20 C 466.65 V 27,130 I 117,750 +3.05



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Feb	460	462	466.5	471	472

### Trade Recommendation:

**BUY Feb** above 4635 with T1 at 469 and T2 at 471. SL 463.

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

Markets	27.12.07	26.12.07	Change	Arrivals (Bags)
Jaipur (C)	2425-30	2425-30	-	-
Alwar(C)	2330	2325-30	-	1000-1200 bags
Delhi(C)	2380-88	2410	-22	700-800 bags
Agra(C)/Katchi Ghani	2575/5550	2550/5550	+25	-
Sri Ganganagar (NC)	2025-30	2020	+5	200-300 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Jan	457.50	461.70	457.50	460.25	456.10	+4.10
NCDEX	Feb	435.70	469.00	465.20	466.65	463.75	+2.90

## ■ GROUNDNUT

■ Dec 28, 2007

**SPOT MARKET: -**

Spot groundnut complex witnessed firm trade on Thursday, 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 Thursday at price level of Rs. 522-523 per 20 compared to the price levels of Rs. 521-522 per 20 kg on Wednesday in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at the price level of Rs.672-673 on Thursday compared to the price of level of Rs. 671-672 per 10 kg on Wednesday.

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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