

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 08, 2007

SPOT MARKETS:

Soybean traded firm across the cash markets amidst continuing good demand from plant/crushers on expectation of higher soymeal export this season coupled with higher soymeal exports in Nov 2007 and lower arrivals. According to SOPA, country's Soymeal export during Nov 07 was 531268 MT against 360971 MT in corresponding period last year, up 47.18% over the last year. Though total exports of Soymeal for financial year April-November'07 is down at 1465068 MT as against 2039395 MT during the same period last year, down 28.16% over the last year. Internationally, as per the Brazilian Vegetable Oils Industry Association, Abiove, Brazil is expected to crush 31.5MMT of soybeans from 2007-08 soy crop. Brazil's 2007-08 soy crop pegged at 60.5 million tons, down from a previous estimate of 60.7 million tons.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm. January contract opened firm at Rs1802.00/ctl against the previous close of Rs 1796.50/ctl. Contract then traded in the range of Rs 1802.00-1817.50/ctl before it closed at Rs1810.00/ctl.

PRICE DRIVERS:

1. Good demand from plants & crushers
2. Firm CPO prices at KLCE
3. Firmness in Futures market
4. Attractive parities to plants/crushers
5. Expectation of higher soymeal exports in 2007-08
6. Lower crop in US & China
7. Marked lower arrivals of beans

WEATHER:

Dry weather over growing regions favours harvesting.

TECHNICALS: -

Candlestick chart pattern shows firmness in market. MACD and EMA remains firm for the medium term. MACD is moving flat in positive zone. Stochastic has made bullish crossover in neutral zone and RSI is moving up in neutral zone. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1800	1806	1810	1834	1837

Trade Recommendation:

BUY NCDEX Jan. Soybean contract above 1814 with T1 at 1822 T2 at 1826. SL at 1810.

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

Status of Price & Supply of Soybean (No. of Tons) (Plant: 1 // Month: 11)							
Markets	06.12.07		05.12.07	Change	Arrivals (Bags)		
Indore [P]	1800		1780-90	+10	1,25,000-1,50,000 bags		
Indore [M]	1750		1720-25	+25			
Maharashtra [P]	1815		1800-10	+5	1,20,000-1,25,000 bags		
Maharashtra [M]	1770-75		1750	+25			
Kota [P]	1800		1790-1800	-	55000-60,000 bags		
Kota [M]	1710-25		1720-30	-5			
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1787.00	1795.50	1785.00	1785.00	1779.00	+6
NCDEX	Jan	1802.00	1817.00	1802.00	1810.00	1796.50	+13.50

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MUSTARD

Dec 08, 2007

SPOT MARKETS:

Mustard seed prices are witnessed steady to firm on due to mixed sentiment in regional/local exchanges and weakness in mustard oil and edible oil prices. However, expectation of lower mustard seed production this year supported the sentiment besides lower inventories in the market. As per recent government sources mustard was sown on around 5.59 million hectares for Oct. 1 to Dec. 6 compared with 6.34 million hectares a year earlier.

FUTURES MARKET: -

NCDEX Mustard seed futures traded steady to firm. January contract opened firm at Rs 472.45/20 Kg against previous close of Rs 471.30/20 Kg and tested a high of Rs 474.10/20 Kg testing a low of Rs 470.35/20 Kg before it closed at Rs 472.90/20 Kg.

PRICE DRIVERS:

1. Firm sentiments in local/regional markets
2. Mustard acreage dropped around 33.5%
3. Sowing fell to 5.27 mil ha against 6.13milha last year
4. Expectation of lower production this year
5. Lower stock with NAFED & in physical markets.
6. Marked improved arrivals of mustard seeds.

WEATHER: -

Continuing dry weather may hinder sowing.

TECHNICALS: -

Candlestick chart pattern shows indecisive market. MACD and EMA remain weak for the medium-term. Stochastic heading down while RSI is moving up in oversold zone, so bounce back from these levels cannot be ruled out. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	471	472	472.9	478	479

Trade Recommendation:

BUY Jan above 473 with T1 at 475 and T2 at 476. SL at 472.

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

Markets	07.12.07	06.12.07	Change	Arrivals (Bags)
Jaipur (C)	2380	2380	-	8000-10,000 bags
Alwar(C)	2300	-	-	900-1000 bags
Delhi(C)	2380-85	2385-90	-5	600-7000 bags
Agra(C)/Katchi Ghani	2500	2500/5550-5600	-	-
Sri Ganganagar (NC)	2000	2000	-	450-500 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	467.40	467.95	465.00	465.95	465.65	+0.30
NCDEX	Jan	472.45	474.10	470.35	472.90	471.30	+1.60

■ GROUNDNUT

■ Dec 08, 2007

SPOT MARKET: -

Spot prices of groundnut complex witnessed weak sentiment on Friday amidst weak physical demands. Good physical demand of groundnut seed at lower prices has supported prices to move up. But steady groundnut oil sentiment following weakness in other edible oil capped the gains to some extent. However, considering the lower Rabi acreage of 2.41ha 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. Another cargo of 5,000 tonne is due for shipment to Europe's Rotterdam port after Dec. 10. 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 weak at Thursday's level of Rs 506-507 per 20Kg to Rs.504-505 per 20 kg on Friday in different markets of Gujarat. In Rajkot market groundnut oil was weak from the Thursday's level Rs.661-662 per 10 Kg to Rs.655-656 per 10 kg.

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 October 2006.

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