

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 03, 2007

SPOT MARKETS:

Soybean prices eased further on Saturday amidst subdued trading activity at ports due to logistic problem coupled with weak international market (CBOT). Steady to weak undertone in edible oils, pressured the bean prices. Sources revealed that, plants in MP set to procure bean with moisture content between 8-9% which earlier was set 10-11% and above 9% will fetch at a discount. Overall arrivals declined from the Friday's level of 5.5.2 to 4.5-4.75 lakh bags. Internationally, According to AgRural, Brazil the world's 2nd largest soybean producer after US has planted 77% of soy crop till Nov. 27th of 2007-08 season and expected to harvest around 62.3 MMT. Mato Grosso has sown 94 per cent, Parana 92 per cent and Rio Grande do Sul 55 per cent of soy crop of the estimated 5.6, 4.4 and 4.2 million hectares. The US Census Crush of soybean for October totaled at 163.5 million bushels up from trades expected near 163.1 million bushels and 161.7 million bushels last year.

FUTURES MARKET: -

Soybean futures at NCDEX trade weak. January contract opened weak at Rs 1800/qrt against the previous close of Rs 1801/qrt. Contract then traded down on increased selling pressure testing a low of Rs 1787.50/qrt before it closed at Rs 1795.50/qrt.

PRICE DRIVERS:

1. Weak CBOT
2. Attractive parities to plants/crushers
3. Steady to weak soybean oil; Mild demand
4. Steady to weak soymeal sentiments at ports
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 weakness in market. Closing price is below the 9 days EMA. MACD is moving down in the positive zone. Both stochastic and RSI is moving down in neutral zone. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	1766	1771	1795.5	1801	1810

Trade Recommendation:

SELL NCDEX Jan. Soybean contract below 1792 with T1 at 1782 T2 at 1778. SL at 1797.

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

Markets	01.12.07	30.11.07	Change	Arrivals (Bags)			
Indore [P]	1770-80	1780-95	-15	2,00,000 bags			
Indore [M]	1680-1730	1680-1740	-10				
Maharashtra [P]	1775-90	1800-1810	-20	1,80,000-2,00,000 bags			
Maharashtra [M]	1750-70	1750-80	-10				
Kota [P]	1780-90	1780-1800	-10	70,000-75,000 bags			
Kota [M]	1725-30	1720-40	-10				
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1780.00	1785.00	1776.00	1782.00	1785.50	-3.50
NCDEX	Jan	1800.00	1800.00	1787.50	1795.50	1801.00	-5.50

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MUSTARD

Dec 01, 2007

SPOT MARKETS:

Prices of mustard seeds eased during the Saturday's trade on subdued trading activity across the cash market and steady arrivals. Weakness in regional/local exchanges following weakness in soybean and oil added bearish tone. However, expectation of lower production this Rabi season coupled with lower stock position with stockists/NAFED is seen limiting the down side. Meanwhile, as per the latest govt. data released on late Friday, Country's major winter oilseed Rapeseed / Mustard sowing fell to 5.27 million hectares as of November 30th against 6.13 million hectares corresponding period last year. Thus, in coming days prices are expected to remain firm on lower inventories in the market as well as expectation of lower production this year. Overall arrival reported at around 11500-12000 bags on Saturday.

FUTURES MARKET: -

NCDEX Mustard seed futures traded weak. January contract opened weak at Rs 488.5/20 Kg against previous close of Rs 489/20 Kg and tested a high of Rs 489.6/20 Kg. Contract then traded down on selling pressure testing a low of Rs 485.2/20 Kg before it closed at Rs 486.25/20 Kg.

PRICE DRIVERS:

1. Mustard acreage dropped around 33.5%
2. Sowing fell to 5.27 mil ha against 6.13milha last year
3. Weakness in regional exchange.
4. Expectation of lower production this year
5. Lower stock with NAFED & in physical markets.

WEATHER: -

Continuing dry weather may hinder sowing.

TECHNICALS: -

Candlestick chart pattern shows weakness in market. MACD and EMA remain weak for the medium-term. Stochastic has made bearish crossover while RSI is falling in the neutral zone. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Jan	479	480	486.25	488	489

Trade Recommendation:

SELL Jan below 485 with T1 at 483 and T2 at 482. SL at 486.

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

Markets	01.12.07	30.12.07	Change	Arrivals (Bags)
Jaipur (C)	2425	-	-	10,000 bags
Alwar(C)	2340	2340-50	-10	600 bags
Delhi(C)	2400	2400-15	-15	1000 bags
Agra(C)/Katchi Ghani	2525	2525/5600	Nil	-
Sri Ganganagar (NC)	2040-60	2000-2070	-10	500 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	482.80	483.30	478.20	479.55	482.90	-3.35
NCDEX	Jan	488.50	489.60	485.20	486.25	489.00	-2.75

■ GROUNDNUT

■ Dec 03, 2007

SPOT MARKET: -

Spot prices of groundnut complex witnessed steady to weak sentiment on Friday amidst mild demand-against normal supply. Weakness in other seed and edible oil further added negative tone on Friday. However, considering the 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 higher domestic prices. Around 15,000-20,000 tonne 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 reported at Rs 512-513 against Rs 515-517 on Thursday in different markets of Gujarat. In Rajkot market groundnut oil reported at Rs 670-671/10 Kg against Rs 676-678/10 Kg on Thursday.

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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