

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Dec. 17, 2007

SPOT MARKETS:

Soybean traded firm during Saturday's trade across the all the major cash markets following firm futures market and good demand from crusher/plants. Overall daily arrivals of the major markets decreased to 3.00-3.35 lakh bags on Saturday from 3.00-3.60 lakh bags on Friday as farmer stockists offloaded their inventories at higher prices. The lower than expected NOPA crush report in November remains supportive to soy complex. Although, USA soybean acreage is projected to go up by 6.3 million acres to 70 million acres vis-à-vis last year's 63.7 million acres. But, it is less likely to cover the expecting depletion in soybean ending stocks in 2008/09 to record low level. The basis is farmers reluctant to soybean than other remunerative crops like corn. To avoid this condition, USA would have to plant more 8-9 million acres in addition of projected. Besides, energy bill released by US Senate that would mandatory bio diesel production 5-times to 36 billion gallons. Besides, favorable weather conditions in South America which is vital for growing crop pressured the market to close mixed.

FUTURES MARKET: -

Soybean futures at NCDEX traded firm on Saturday. January contract opened firm at Rs.1905.00/qtl against previous close of Rs.1899.00/qtl. Contract then traded in the range of Rs.1905.00-1918.00/qtl before it closed at Rs.1913.00/qtl.

PRICE DRIVERS:

1. Marked lower arrivals of beans
2. Good demand from plants & crushers
3. Attractive parities to plants/crushers
4. Higher soymeal exports
5. Lower crop in US & China

WEATHER:

Mainly favorable conditions for mature soybeans and for the harvest through west-central India at this time.

TECHNICALS: -

Soya bean chart displays the ongoing firm tone of the market. Each passing day, prices are recording new highs amid good buying support. However caution is the trade word as correction is due any moment. RSI is moving up while stochastics has bottomed out in the overbought territory. MACD is rising in the positive zone denoting the increasing bullish momentum of the market. Ability of prices to hold above 1900 levels without any correction signifies the inherent bull tone of the market. Soya bean futures can record further highs in the coming session though there are chances of profit booking at higher levels.



SUPPORT / RESISTANCE:

Contract	1892	S1	PCP	R1	R2
NCDEX-Jan	1892	1900	1913	1925	1932

Trade Recommendation:

BUY NCDEX Jan. Soybean contract below 1909 with T1 at 1922 T2 at 1930. SL at 1902.

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

Status of Price & Supply of Soybean (Rs/Qty) (Unit: - / Metric: -)							
Markets	15.12.07		14.12.07	Change	Arrivals (Bags)		
Indore [P]	1905-35		1875-95	+40	1,50,000-1,75,000-bags		
Indore [M]	1860-80		1840-60	+20			
Maharashtra [P]	1910-25		1875-1900	+25	90,000-1,00,000 bags		
Maharashtra [M]	1850		1840-90	-40			
Kota [P]	1880-90		1850-70	+20	50,000-60,000 bags		
Kota [M]	1810-35		1880-90	-55			
Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	1889.00	1901.00	1885.00	1892.50	1887.50	+5.00
NCDEX	Jan	1905.00	1918.00	1905.00	1913.00	1899.00	+14

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MUSTARD

Dec 17, 2007

SPOT MARKETS:

Overall mustard seed traded firm at local/regional markets and exchanges on Saturday coupled with firmness in futures market. At Jaipur the spot prices were firm at Rs.2400/qrtl on Saturday compared to Rs. 2390/qrtl on Friday, while arrivals decreased to 9,000-10,000 bags on Saturday from 10,000-12,000 bags on Friday. Hence lower arrivals are the driving force which has kept the mustard seed prices firm. However, India's rapeseed crop is showing minor signs of recovery after receiving rains in the major growing areas of Rajasthan and Madhya Pradesh. According to the head of the country's largest rapeseed oil extraction company the overall production is expected to be lower this year due to a sharp fall in acreage. Crop prospects is expected to marginally improved due to the late showers in Rajasthan and Madhya Pradesh and the production is estimated at around 5.2 million to 5.3 million metric tons against the previous estimates of less than 5.0 million tons. India's rapeseed production this year is around 5.8 million tons compared to 6.8 million tons the previous year. India's rapeseed production is crucial for determining the country's overall edible oil imports as the oilseed has higher oil content. According to the latest government data, India's rapeseed acreage is down around 12% as of first week of December at 5.59 million hectares.

FUTURES MARKET: -

NCDEX Mustard seed futures traded firm on Saturday. January contract opened firm at Rs.470.80/20 kg against previous close of Rs.468.90/20 kg and tested a high of Rs 471.70/20 kg and a low of Rs.467.50/20 kg before it closed at Rs.471.55/20 Kg.

PRICE DRIVERS:

1. Lower arrivals
2. Mustard acreage down around 12%
3. Production fell to 5.8mil tonnes against 6.8mil tonnes last year
4. Lower stock with NAFED & in physical markets.

TECHNICALS: -

Mustard candlestick formation shows longer lower shadow denoting tentativeness at lower levels. Prices can recover from the current levels towards 477 levels. Volume is steady and open interest has increased supporting the firm close. Prices have closed above 5 Day EMA suggesting near -term recovery. RSI and stochastics are rising steadily in the neutral region denoting there is scope for further up move. There is strong trend line resistance around 476 levels and ability to breach these levels will negate the overall bearish outlook to certain extent. MACD is favouring decreasing bearish momentum of the market. Mustard futures are likely to trade range bound with bias towards positive side in the coming session.

Mustard Seed 0801(NCRMSF8)2007/12/15 - Daily B:471.50 A:4
O 470.80 H 471.70 L 467.50 C 471.55 V 23,970 I 48,970 +2



SUPPORT / RESISTANCE:



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

Markets	15.12.07	14.12.07	Change	Arrivals (Bags)
Jaipur (C)	2400	2390	+10	9,000-10,000 bags
Alwar(C)	2300	2280-90	+10	800-1000 bags
Delhi(C)	2385	2380	+5	300-400 bags
Agra(C)/Katchi Ghani	2500/5600	2450/5550	+50	-
Sri Ganganagar (NC)	2010-15	1990-2010	-5	250-300 bags
Kota (NC)	-	-	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Dec	450.50	454.00	446.85	454.00	451.45	+2.55
NCDEX	Jan	470.80	471.70	467.50	471.55	468.90	+2.65

■ GROUNDNUT

■ Dec 17, 2007

SPOT MARKET: -

Spot groundnut complex sentiment were firm on Saturday amidst firm physical demands, 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 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 Saturday and traded between the price range of Rs.516-517 per 20 kg in different markets of Gujarat. In Rajkot market groundnut oil was traded firm at Rs.673-674 per 10 kg on Saturday.

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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